

ies may try to defeat ernment on evolution

ment may be defeated tonight on
ion White Paper if Mrs Thatcher
adow Cabinet decide that the
should challenge the Administration
ral motion to "take note" of its
uch a defeat may delay the establish-
sh and Scottish assemblies.

wing support for rotest move

They would be reluctant to
appear to be delaying the pro-
cess towards devolution.
On the Tory side, many of
those who favour devolution
but on lines different from the
Government would vote against
the take note motion only if it
was made clear that the party
was not rejecting devolution
but merely saying to the
Government: "Take away the
White Paper and think again."
One bizarre consequence of a
Conservative move on these
lines might be that the Scottish
nationalists would go into the
lobby with the Government to
save the day. They would argue
that although the proposals are
abhorrent to them, they do at
least represent a move towards
self-government.

A senior member of Mrs
Thatcher's frontbench team said
last night that a decision on
whether to vote against the
"take note" motion will be
made by the Shadow Cabinet
after hearing the opinion from
senior speakers. Mr David
Morrison, former Secretary of
State for Scotland, and Mr
David Renton, QC, the Conservative
Party's constitutional expert.

Mr Mellish has sent a letter
to all Labour MPs asking them
to support the Government at
the end of the debate. The
Government has been asked
by some Labour MPs to make
clear that a vote to "take
note" will not in future be con-
sidered as a vote in favour of
the White Paper's proposals.

That assurance is likely to be
given because the real test will
be whether the legislation is
passed.

The programme, as outlined
by Mr Short, Lord President of
the Council and Leader of the
House, is that the Government
will take into account the criti-
cisms made of the proposals,
and produce a draft Bill later
this year.

That would be debated to-
morrow night, Mr Short said.
The Government would in-
troduce the effective Bill and
the real battle would begin.

If the effective Bill is based
on the Government's present
proposals, it seems likely that
the Government will lose the
vote. Mr Short said that the
Government would be prepared
to accept a coalition of Labour
and Conservative MPs who
would oppose it.

Scottish party launched, page 2
English work turns, page 13



Mr. Ryman in Blyth
yesterday.

Labour MP determined not to vote

By Stewart Tonder
Mr John Ryman, Labour MP
for Blyth, announced in his
constituency yesterday that he
would not vote for or brow-
beaten by Mr Mellish, the
Government Chief Whip, into
voting in the Commons. Mr
Mellish said on Friday that he
had been trying to reach Mr
Ryman for several months.

The MP and Mr Peter
Morrison, his former agent, are
due to appear in court next
month. Mr Blyth accused of
knowingly making false declara-
tions about the return of elec-
tion expenses after the general
election in October, 1974.

Yesterday Mr Ryman was
adamant that he would con-
tinue not to vote until after the
case. He said: "I refuse to be
cajoled or browbeaten into an
improper course of conduct
while this litigation is pend-
ing."

Mr Ryman said he realized the difficulty
of working with the Govern-
ment. However, throughout I
have made my own position
absolutely clear," Mr Ryman
said. He had denied the allega-
tion of overpaying during the
election campaign and discussed
the matter with Mr Short,
Leader of the House of Com-
mons, and Mr Mellish last
October.

Throughout this whole
embarrassing episode I have
made my utmost to represent
the interests of my constituents
as rigorously and as fully as
possible.

Mr Ryman travelled to Blyth
yesterday to hold a "surgery"
for constituents. He had been
in London on Saturday but
he had missed the train
because of harassment by
journalists. While Mr Mellish had
been appealing for him to make
his office at the Commons.

Before making his announce-
ment yesterday Mr Ryman met
leading members of the local
party at the home of Mr
George Adams, leader of the
Labour group on Blyth Valley
District Council. He was given
a vote of confidence.

Northumbria police, who in-
vestigated the allegations, say
that they expect a nominal pro-
ceeding to be heard at Blyth
Magistrates' Court on February
13.

Mr Mellish said on hearing of
Mr Ryman's refusal: "I have
written Mr Ryman to him and
sent three telegrams. We
phoned his house one day and
his chief clerk said he had not
been seen for five weeks. I
see he says he has voted in the
Commons since October. He
must have voted on his own."

Officials of the Labour Party
in Blyth said Mr Ryman had
been declared a deserter with
no constituents. "They had been
able to reach him at his office
in the Commons or at a private
telephone number in London,
which they refused to disclose."

Lebanese Prime Minister resigns

From Paul Martin
Beirut, Jan 18

Mr Rashid Karami, the
Lebanese Prime Minister,
resigned to repair tonight at
Christian and Muslim armies
savaged enclaves of the opposi-
tion community and the country
stood on the brink of total war
into which the Army could be
dragged. Mr Yasser Arafat, the
Palestinian leader, said that he
doubted whether he could now
restrain his forces.

Mr Karami's resignation has
created the most dangerous
situation since the conflict be-
gan nine months ago. It has
brought closer the prospect of
over Syrian intervention in
Lebanon and the Israeli
reaction that would provoke.
And with both sides bent on
clearing their enclaves, the country
slides closer to final partition.

Tonight a powerful right-wing
army had begun to overrun the
Muslim slaughterhouse slum
district adjacent to the Beirut
port.

The sky above the entire port
area was aglow as fires from a
day-long Christian mortar and
rocket barrage raged around
the beleaguered shanty town.
The right-wing Phalangists took
a third of the district calling
over loudspeakers for its sur-
render.

Loudspeaker vans were tour-
ning other Muslim neighbour-
hoods calling for a Jihad (holy
war) against the Christians.

Just south of the capital,
Palestinian-led Muslim forces
besieged the home town of Mr
Camille Chamoun, the Christian
former Minister who has been
trapped for the past two days
with wounded and refugees in
his seaside mansion.

The Army, which is Christian-
dominated but theoretically under
the control of the Muslim
Prime Minister, turned a deaf
ear to Mr Chamoun's appeals
for relief.

North and east of
Beirut, Muslim communiques
under fierce attack from the
dominant sect in the area.

Announcing his decision to
step down, Mr Karami said that
all doors had been closed in
the search for an end to the
fighting. "God be my witness
that I have tried since the first
day to bring all this to an end,"
he declared. The state, he said,
had become "ineffective along
with all its institutions."

Since Mr Karami was the
Muslim choice for the Prime
Minister and was forced to
resign, it was impossible to replace him.

Indeed, what the resignation
has done is to take the political
crisis back to the point where
the President tried to appoint
a military government. This
was opposed by the Muslims.

Outside Beirut thousands of
Muslim and Palestinian irregu-
lars have descended on two
Christian settlements in the
predominantly Muslim Bekaa
Valley. The settlements are
cut off from the main Christian
area of the country to the west
across Mount Lebanon.

The Syrians have warned that
if the conflict were to result
in partition they would annex
Lebanon through a military
intervention. That this would
lead to intervention by Israel
as well is regarded by serious
observers as a foregone conclu-
sion. Thus the region could be
plunged into a general war.

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Supertanker was blown apart by three explosions Survivors of vanished ship found

By Robert Fisk

Two survivors from the miss-
ing Norwegian supertanker
Berge Ispra which vanished in the
Pacific on December 29 said
last night that their ship had
been blown apart by three
explosions.

The two crewmen had been
adrift in the Pacific for 20 days
when they were picked up by a
Japanese fishing vessel yester-
day 700 miles south-east of
Mindanao Island. They were
painting on the side of the ship
the nature of the explosions
warning.

Since the 227,536-ton Berge
Ispra, which was sailing from
Brazil to Japan, was insured for
about £100,000, the two sur-
vivors probably witnessed the
most costly shipwreck in mari-
time history.

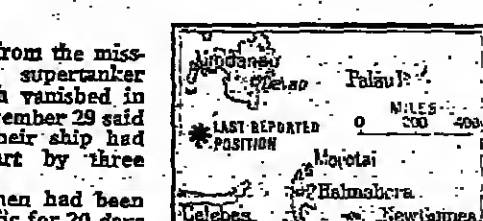
Both Lloyd's and the Berge
Ispra owners, the Norwegian
firm of Sig Berntsen, were try-
ing urgently to gather more
information about the disaster.
The supertanker had a cargo of
100,000 tons of iron ore, which
was scattered in a wide area.

Berntsen has a fine safety
record, having lost only one
other ship in almost half a
century.

There was no news last night
whether the two survivors so
far discovered knew of the fate
of the 30 other crew members.
When they were found by the
Japanese fishing boat Hachihou
Maru Six, they were said to be
in good condition.

Until last night, the dis-
appearance of the Berge Ispra
had been one of the more
baffling mysteries of the sea.
An air and sea search had gone
on in the area south-west of
Mindanao ever since her dis-
appearance. The two survivors
were found about 400 miles
from the ship's last reported
position. It was not known if
they were found in a lifeboat
or on a drifting buoy. A company
spokesman said a rubber life-
raft was more likely.

News of their discovery was



first announced by the Japanese
Maritime Agency whose report
was passed on to Lloyd's by the
United States Coast Guard. No
radio contact could be estab-
lished with the fishing vessel
after its initial discovery, so
marine disaster investigators
were unable to find out the
nature of the explosions.

About two years ago, there
was a blast on a much smaller
supertanker off the coast of
South America believed to have
been caused by an explosion
near the engine room.

In Britain last night, one
independent investigator sug-
gested that a pipe burst near
the boiler room could have
caused an explosion on the
ship, which was built in Yugo-
slavia in 1972.

A disturbing aspect of the
affair has been the failure of
the searchers to have come
across survivors of the 1,025-ton
vessel until yesterday. After an
operation lasting three weeks
and taking in 500,000 sq miles
of sea, neither aircraft nor ships
had found even driftwood or
wreckage from the Berge Ispra.

Aircraft from the United
States rescue base at Okla-
wa were due to take off to search
for more survivors at dawn to-
day.

The nationality of the sur-
vivors was not known. The
Berge Ispra's crew consisted of
13 Norwegians, 12 Spaniards,
two Belgians, two Yugoslavs, a
Briton, a Brazilian and a
Swede.

The ship was one of the largest
ore carriers in the world and
about 70 per cent of the
vessel's insurance cover was
carried by underwriters in Lon-
don. Lloyd's alone is responsible
for £6,400,000.

The supertanker Berge Ispra which vanished on December 29.

Provisionals condemned by rivals

From Christopher Walker
Belfast

Several hundred delegates
from all over Ireland attended
the three-day conference, much
of which was in closed session.
Police banned parking in sev-
eral Dublin streets around the
conference hall for security
reasons.

Yesterday a further warning
issued by the so-called Mid-
Ulster Loyalist Army Council
in the form of a statement
given to local newspapers.
Although the ruthlessness of
the group is not disputed, it
is not one of the chief Protest-
ant umbrella groups.

The Mid-Ulster Loyalist Army
Council said its "intelligence
units" had collected informa-
tion on at least 100 members
of the group in south Armagh
from their homes.

British Army intelligence in
Northern Ireland believes that
a full-scale resumption of the
Provisional IRA's bombing cam-
paign may have been tempo-
rarily averted by the capture on
Saturday of the largest quantity
of bomb-making materials ever
found in the province. If it had
not been the haul would have
enabled terrorists to make
up to 50 car bombs.

It is understood that the
5,700lb of home-made and com-
mercial explosive on its way to
Belfast from secret arms dumps
in the Irish Republic was in-
tended to fuel a new wave of
bombing.

Mr Tomas MacGiolla, presi-
dent of official Sinn Fein, told
the party conference in Dublin
that the Provisional IRA had
identified "republicanism with
terrorism" as destructive and
reactionary in Ireland.

He said that the Provisional
IRA was "a dangerous organiza-
tion in the minds of the Irish people
and indeed of the people of
Britain. It is a threat to the
world, with mindless violence
and terror."

Although the five-year terror-
ist campaign by the Provisionals
had been almost entirely aimed
at the civilian population, "they
kill civilians, they kill British
forces, they kill Irish forces,"
he said.

Mr MacGiolla also condemned
what he called the "Provisional
pogrom" that led to the deaths
of several leading members of
both the IRA and the British
Army in the Northern Ireland
conflict.

"The Provisional alliance
launched a ruthless and mor-
derous onslaught on our mem-
bers," he claimed. "It was ini-
tiated and planned by the
leadership of the Provisionals
and not by some trigger-happy
Belfast members."

Rest of FNLA, page 6

'Inefficiency by charity led to loss of lives'

By Clifford Longley
Religious Affairs
Correspondent

An independent inquiry into
the way Christian Aid spends
its money abroad has been
demanded by a former deputy
director of the charity who
resigned to protest just over a
year ago. He alleges that
inefficiency has on occasion
needlessly delayed the arrival
of funds to relieve the suffer-
ing and prevent the death of
the victims of drought and
famine.

Mr David Smithers, who left
Christian Aid at the end of
1974, claims that two serious
delays at the end of 1973 led
directly to the loss of hundreds
of lives in North Africa. He
failed in his attempts to have
them investigated internally,
although an inquiry did take
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Continued on page 4, col 3

Opera heads decide to cut costs

From Our Correspondent
Milan, Jan 18

A common action to keep
down costs of all kinds, includ-
ing artists' fees, was the main
measure decided upon by the
administrators of the leading
opera houses in Italy, West Ger-
many, Switzerland, Belgium,
Holland and Sweden at a closed
meeting at La Scala, Milan.

The final communiqué said
that costs should be kept
"within limits acceptable and
reasonable" considering that the
opera was being met mainly
with state subsidies or contribu-
tions by non-profit-making
bodies.

Other measures agreed in-
cluded the encouragement of
young singers and schemes to
improve cooperation between
the opera houses and television.

French lawyers to go on strike
French lawyers are to hold a national
strike in protest against revised
court procedures and a new divorce
law. The lawyers are complaining
that they were not consulted pro-
perly.

Education cuts
A bulletin published today by the
Council for Educational Advance-
ment states that school staffing levels,
equipment, meals and building pro-
grammes are suffering as authori-
ties throughout the country cut their
education budgets.

Three child murders
Police in Glasgow and Northampton
were searching yesterday for killers
who murdered three children. Two
of the victims, a brother and sister,
were bludgeoned to death in
Glasgow, and a girl aged 10 was
battered and strangled in Northampton.

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Page 6

African states in attempt to merge factions in Angola

From Robert Barford
Lusaka, Jan 18

A secret new diplomatic
initiative is being taken by
several African states in an
effort to halt the Angolan civil
war.

They are proposing a pact
between the two main warring
nationalist movements, the
Soviet-backed MPLA and Unita,
which is supported by the West.
The third movement, the FNLA,
at present allied to Unita,
would be excluded.

The plan is regarded as the
last chance of preventing a
full-scale war, but there is no
great optimism that it will
succeed.

Reliable sources here said
today that talks have been
going on in several African
capitals in an attempt to gather
support for this last-ditch
attempt for peace.

It is proposed that the MPLA
and Unita agree to meet and
the United Nations, Dr Jonas
Savimbi, should agree to merge
their movements which are at
present involved in bloody
clashes in central Angola. Mr
Beden Roberto, leader of the
FNLA, will be left out of these
negotiations because of the
almost total collapse of his
forces in northern Angola.

Although they have been on
opposing sides, there is a
greater ideological affinity be-
tween Unita and MPLA than
between the present allied
forces of Unita and the FNLA.
The diplomatic initiative is
only in its early stages.

Rest of FNLA, page 6

Diver dies in new North Sea accident

Mr Clay Ellis, aged 21, a
diver, died 190 miles off Aber-
deen on Saturday night when
his diving bell surfaced acci-
dentally. It was disclosed
yesterday.

His companion, Mr Derek
Bannister, aged 27, survived
the accident but was receiving
treatment last night in a decom-
pression chamber on board the
supply vessel Smith-Lloyd 112 in
Aberdeen harbour.

The men were working for
Comex Diving in the Argyll
Field, south-east of Aberdeen.
The diving bell had been down
for about an hour and was at
a depth of nearly 250ft when
it surfaced accidentally.

Mr Ellis's death came six
days after a diver was killed
working from a rig in the East
Shetland Basin.

Features, pages 7 and 12
Lord Chalfont says "Book-spotters"
are undermining the democracy they
pretend to serve. Andrew Faulds on how
Britain could make more use of its
ancient assets. Lord Rothschild has
some thoughts on the wheat harvest.

Letters: On petty industrial disputes
from Sir Anthony Sowley and others;
on foreign correspondents from Sir
Bernard Rossiter.

Leading articles: Ministers and select
committees; Nuclear waste; Adelaide
Obituary, page 14
Miss Sonia Dresdel; Mr Gerald Hill
Arts, page 11
Sheridan Morley talks to Richard
Fleischer, Irving, Wardle on "Globe-
maker" Theatre at New End; Miles
Kingston on the National Youth Jazz
Orchestra.

Sport, pages 7-9
Football: Geoffrey Green reviews the
first division "struggle"; Rugby Union:
Injuries hit England players; Racing:
Equine influenza potential threat to
stables.

Business News, page 15-19
Financial Editor: Banks in front of the
rights issue hurdle; North Sea oil:
approaching a watershed; The V.V.
Ward: scrap metal margins squeezed
Hugh Stephenson: Wanted, some fresh
thinking for an industrial policy.

Money supply falls

Britain's money supply has declined
for two consecutive months—an ex-
ceptional situation for an industrial-
ized nation—figures published by
the Bank of England show. The main
reason for the fall is heavy selling of
government bonds.

Small firms' claim: The newly
formed Society of Independent Busi-
nesses claimed that it could represent
up to a million people.

Postage denial: The Post Office has
denied that first-class letter post will
rise to 10p this year.

Paris: French newspapers publish
names of alleged Soviet espionage
chiefs.

New York: Auditors report has
serious criticisms of the city's
accounting methods.

Obituary
Radcliffe
Premium Bonds
14 Property
14 Sale Room
14 Science
14 Snow Report

Sport
TV & Radio
Theatre, etc.
25 Years Ago
14 Weather
14 Wills

ME NEWS

Former Tory ministers call on party leadership to declare its policies on incomes and defence

Political Correspondent

Mr Peter Walker and Mr Amery, made speeches at a weekend calling for a more forthright declaration of Conservative policies on the economy and defence.

Walker, one of Mr Heath's right-hand men, told the University Conservative Association at a Central Office meeting on Saturday that the Shadow Cabinet's fusion of the so-called Tory policy had seemingly emerged from expensing the failures of Mr Heath's Chancellor of the Exchequer, who had led a devastating rate of inflation and high unemployment.

Tory party must make it stand up to the challenge of an incomes policy, Mr Walker said. "We commend to the Government the tough measures which we consider should be taken for the economy to stand up to the challenge of an incomes policy," he said.

By the time of the 1976 Budget, the Conservative Party has clarified its policy on incomes, has of creative proposals to deal with unemployment, has clear its priorities in tax and has exposed the difficulties of the present Chancellorship, the political of our party would be very strong."

After Mr Walker said, the party must develop a new policy based on a vigorous and fair system of private ownership, a

socially responsible capitalism which had an understanding for employees that high money wage claims did not necessarily yield high real wages.

Mr Healey had produced not just the fastest inflation in Britain's history, but a rate which was double that of virtually all our main competitors. Industrial production had fallen lower than it was during the period of the three-day week.

Mr Walker gave a warning against accepting the Treasury myth that things were fast improving. "Questioned yesterday about his speech, Mr Walker said he thought Mrs Thatcher, the Conservative leader, had been right not to commit herself to loss of detailed policies early in the period of opposition, but incomes policy and unemployment are burning issues at the moment."

It was reasonable for people to expect that the party by the spring would have policy proposals which they could comprehend and compare with those of the Government.

Mr Walker rejected the suggestion that in spite of Mrs Thatcher's declarations, the Tories wanted Labour to continue in power this year to get the blame for the economic crisis; he said she was right to make the first priority the ousting of the Government. If it continued with present policies, by 1977 every family of four would be paying £15 a week in debt repayments.

Mr Amery, who has held office in defence departments and at the Foreign Office,

speaking at Malbury, South Yorkshire, yesterday, called for firmer declarations on defence from the Shadow Cabinet.

"There was a time when at least a quarter of any Conservative policy speech was devoted to external affairs," Mr Amery said. "Now scarcely a word is spoken on the subject from our front bench or echoed by the rank and file."

"We talk as if Britain no longer had a role to play in world affairs and as if the fact of being in opposition barred us from discussing the subject. Neither of these propositions is true."

Recalling the role which Churchill played in the 1930s, Mr Amery said the Conservatives must give the lead in uniting Europe to defend itself against the growing Soviet menace.

"The task today is to galvanize the European Community and make it not just a Common Market and a monetary union, but a political and defence union as well, capable of defending and promoting the security of Europe and its economic interests."

The party should resist any cuts in defence and urge the restoration of Britain's presence overseas where the host governments were still ready to have us back.

Most of the Tory message must be directed to the European Community, and to Nato, which should be converted from a limited geographical zone to embrace the whole free world, including Japan, Mr Amery said.

Campaign to retain a hospital intensifies

From Arthur Osman

Telford, Shropshire

Health officials have said that even the nucleus of a proposed district general hospital in Telford new town could not be in use for another ten years at the earliest. By that time, it is forecast, the population may exceed 127,000 and that of the hospital's catchment area could be approaching 200,000.

It is thought that when the West Midlands Regional Health Authority decides on its building priorities later this year the Telford project is likely to be low down the list. That almost certainly means it may be into the 1990s before the hospital is built.

Meanwhile the campaign intensifies to try to retain the excellent hospital which has existed for 35 years in the Staffordshire-Shropshire border country involved, between Wolverhampton and Shrewsbury.

During the Second World War the RAF hospital at Cosford, about 14 miles from Wolverhampton, had 600 beds. Since then it has been slowly scaled down in size but not in efficiency, until last year in a review of its hospital policy the Ministry of Defence decided it should cease to be an RAF hospital.

The Department of Health and Social Security, however, entered into a contract with the Ministry to use 97 beds and all supporting facilities.

The professional staff continued to be drawn almost entirely from the RAF which, the health authority has said, substantially increased the cost because of higher pay and staffing ratios in service hospitals.

The health authority decided last November that Cosford should be closed as part of cost-cutting dictated by the national financial situation. Last month Mrs Castle, Secretary of State for Social Services, agreed that there was a strong case for closure at an early date. But she decided that before a decision was taken various bodies, including Telford Development Corporation which, surprisingly, had not been consulted, should be given until the end of February to make their views known.

Since then there has been widespread protest from friends of the hospital, parish councils and others, all expressing alarm and emphasizing the hardship that would be caused by closure. This year the cost is being shared between the authority, which is paying £450,000, and the Department of Health, which is paying £800,000. In future the region would have to bear the full cost.

MPs' committee to review cost and efficiency of Civil Service

Searching scrutiny of Whitehall's function

By Peter Hennessy

Members of the general sub-committee of the Commons Select Committee on Expenditure will meet in private today to decide on the strategy of their nine-month investigation of the Civil Service due to begin in March.

The committee has received a confidential document from Sir Douglas Allen, Head of the Home Civil Service, reviewing the Government's progress in carrying out the recommendations of the Fulton report of 1963. The document is also understood to contain an analysis of the changed circumstances in which central government has come to operate since Fulton reported, including the increase in its tasks and costs and the growing militancy of the Civil Service unions.

Mr Michael English, Labour MP for Nottingham West, chairman of the committee, and his colleagues are likely to be one of their first moves to invite the unions to submit written evidence. They are also likely to decide today on the appointment of a general and a special adviser to aid them in their task, which will be the most thoroughgoing review of Whitehall since Fulton.

The general adviser will be a retired senior civil servant, Mr English favours an industrialist with experience of staff management as the special adviser.

The committee's brief is to examine developments in the Civil Service since the Fulton report, but the main line of its inquiry is expected to be into the cost of central government.

Last summer the committee



Mr English: Chance for unions to speak.

questioned Sir Ronald Radford, Chairman of the Board of Customs and Excise, and Sir Norman Price, Chairman of the Board of Inland Revenue, about an apparent decline in the productivity of their departments judged by the increase of administrative costs for each pound of tax collected.

Mr English regards staff matters as of great importance in determining the level of public expenditure, because two thirds of the cost of central government is absorbed by salaries. "My committee and I have already raised on more than one occasion the justifiability of restrictions on public expenditure to goods and services, so that the whole employment effect of such cuts falls outside central government itself," he said.

The findings of the Government's recently completed Cost of Central Government Review are likely, therefore, to be closely scrutinized by the committee. The six-month review, undertaken by a team of senior members of the Civil Service Department, paid particular attention to manpower-intensive departments such as the Department of Health and Social Security, the Ministry of Defence, Inland Revenue and Customs and Excise, which between them account for almost three fifths of the non-industrial Civil Service.

The review team thought that significant reductions in staff would be impossible unless ministers took important political decisions about the country's defence capability, the level of tax thresholds, and the numbers entitled to social security payments.

The expenditure committee recently completed a report on the shortcomings of the Government's system of controlling public expenditure. Its forthcoming review will probably take that a step further by assessing the administrative costs of the Public Expenditure Survey Committee as it has developed since the Plowden report of 1961.

The committee is also likely to study the Civil Services of the United States, Sweden, the EEC Commission and particularly France, to discover administrative practices that might, if adopted in Britain, improve the efficiency and openness of central government.

It will probably pay close

attention to the methods of L'Ecole Nationale d'Administration in Paris which recruits and trains administrators for all levels of public service in France, producing an élite cadre of officials who move "in and out" between government, nationalized and private industry and politics as a matter of course.

Among the particular recommendations of the Fulton report the committee is likely to examine the progress made towards a single-class Civil Service, the promotion of a higher proportion of specialists to senior posts, the improvements in central training achieved by the Civil Service College, and the development of planning units in government departments.

Mr English does not accept the "conspiracy theory" about the Civil Service, which has enjoyed a good deal of currency recently and which sees civil servants as a privileged élite, protected from the effects of their own incompetence by high salaries and inflation-proofed pensions. The committee will undoubtedly consider the level of pay and pensions of the Home Civil Service and the conditions enjoyed by the Diplomatic Service.

But it will also consider whether private industry should adopt the Civil Service system of "pay-as-you-go" funding, in place of the "accruing liability" principle, for reasons of efficiency and equity as well as an aid towards greater mobility between the Civil Service, industry and the professions which the Fulton report sought to foster.

Fourth TV channel for sh service

Staff Reporter

vision service for Wales fourth channel should be quickly, the Welsh Party said yesterday. To air the number language programmes be cut, as an interim from the proposed 25 week to 19 hours, it is

vidence to the Annan ee on broadcasting, the ys that a service based output of 25 hours of language programmes a could cost £8.85m to set. £5.03m a year to run. iming the output to 19 the service could be at a cost of £5.44m, and costs reduced to £1.38m.

Post Office denies report of 10½p mail this year

By Edward Townsend

Business News Staff

Sir William Ryland, chairman of the Post Office, yesterday denied a report in *The Sunday Times* that the cost of first-class letter post was to rise to 10½p this year. Mr Tom Jackson, general secretary of the Union of Post Office Workers, described the report as "rubbish, a nonsense and not accurate in any way."

Although it was admitted that the Post Office had not officially declared plans to raise charges, the report said that they would rise to 10½p for first-class mail and 8½p for second class. A 10½p stamp, similar to the 8½p but of a different colour, was said to have been printed.

Sir William said the Post

Office had no plans for putting up letter prices, and a spokesman added that the 10½p stamp now being printed was needed to help to meet increased demand for different value stamps.

Mr Jackson said that an increase in postal rates of the magnitude suggested would be a "catastrophic disaster" for the Post Office and postal workers. "Such an increase would be a great deal more than is necessary," he said.

Yesterday's report referred to the recent 12 per cent fall in mail traffic and the 17 per cent volume reduction in December, when the Post Office normally made profits. In fact, Mr Jackson said, staff reductions and a lower number of casual workers had meant that it was "the first Christmas we have made money for years."

More use of dead elm timber urged

The Government should make a directive that whenever possible elm timber should be specified for all its contracts, Mr John Hancock, founder member and national treasurer of the Association of Professional Foresters, said yesterday.

That would be one way of dealing with the six million trees killed by Dutch elm disease in the past few years. "The annual consumption of elm by the home timber trade is equal to about 300,000 trees. About five million dead elms are still standing, and unless some way is found of using or storing them, this valuable timber resource will deteriorate."

Not all the dead elms can be used for timber, however. The Forestry Commission has estimated that 60 per cent of them are unsuitable.

New society formed to speak for self-employed

From John Chartres

Manchester

The first formal meeting of the Society of Independent Businesses was held in Manchester yesterday with a claim that it could represent up to a million people in any conflict with government over the treatment of small firms and the self-employed.

The managing council of the society, registered as a limited company in December, includes among its 12 members six former officers of the National Federation of Self-Employed, which ran into internal troubles last year.

The six include Mr Keith Shouls, an accountant, of Preston, Lancashire, former chief executive officer of the federation. Mr Shouls has been appointed unpaid chairman. Mr Shouls and Mr Cyril Rogers, chairman of the

society's policy committee, estimated yesterday that the federation and a dozen other organizations purporting to represent small businesses and the self-employed which sprang up last year probably could speak for only 60,000 people.

They claimed that their own organization, which will try to make affiliation arrangements with such bodies as the National Farmers Union, could speak for a million.

They said the main support for the society had emanated in northern England and Scotland because "up here people are sick and tired of being dictated to."

Mr Shouls said that the new organization has not been set up as a rival to any other group, but because of concern at the lack of cooperation between various bodies in that sphere.

£26 charge for Isle of Wight cesspit owners

The public works committee of Medina Borough Council, in the Isle of Wight, has recommended that households with cesspits shall be charged £13 each time they are emptied or £26 a year. At present they are emptied twice a year, free of charge. The cost would be far higher than the rates paid by people with main drainage.

The recommendation comes after a recent judicial ruling that people not connected to a public sewer are not liable for sewerage charges. Mr James Moon, chairman of the committee, said: "We expect a hectic meeting when the recommendation comes before the full council on January 25. Some will say that it is a defiance of the High Court's intentions. But our officers have worked out that this is a fair average figure."

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HOME NEWS

Staff, equipment and meals affected by education economies

By Tim Devlin
Education Correspondent

The Council for Educational Advance publishes today a bulletin which gives examples of the kinds of education cuts expected in 1976-77. The bulletin says that in Berkshire cuts amounting to £1.5m have been presented to the education committee; they could hardly be made without teacher redundancies, it adds.

In Cheshire the education committee is considering a 15.5m cut to meet a no growth requirement. Teachers and parents argue that an extra £2.7m would be needed to maintain education standards.

In Cumbria the council has decided to reduce revenue requirements by £1.5m the amount required by the Department of the Environment. Education cuts will amount to £1.06m out of total revenue cuts of £1.7m.

Although the budget for education in Devon is up by £14m, the effect will be a cut-back in provision because of inflation. Programmes in nursery units and primary school replacements have almost been abandoned, and there is no provision for

further education and the building of special schools.

In Gloucestershire, one of the authorities worst affected, the education committee has decided on cuts which include reducing the number of teachers in primary schools by 100 and to appoint only 35 new secondary school teachers; 63 would be needed if the present pupil-teacher ratio were to be maintained.

Cuts of more than £500,000 have been decided on in Somerset, including £60,000 off adult education.

In Suffolk the education committee has cut the budget by nearly £1m, which has meant closing nursery schools and postponing the building of badly needed primary and secondary schools.

Parents in Sussex are to be asked to help to buy their children's school textbooks where allowances are inadequate.

Cuts of £459,000 in Wiltshire have been agreed. That has meant leaving teaching, youth service, catering and administrative posts unfilled. There will be more vegetable protein instead of meat in school dinners and fewer in-service courses for teachers.

MP says police will be needed if the cane goes

By Our Education Correspondent

Dr Rhodes Boyson, Conservative MP for Brent, North, said in a speech at Swindon on Saturday, that police would have to be called into schools to control children if corporal punishment was abolished.

He told *The Times* yesterday that he fully supported the decision by the executive of the National Association of Head Teachers to defend the right of the head teacher to use physical punishment to "suppress badly behaved children in the interests of the well behaved".

The executive, meeting in London on Saturday, passed a document from its professional advice committee, to be sent to its 18,000 members, saying corporal punishment for older girls should be restricted to caning on the hands and should

be administered only by women.

As for younger girls, the type of punishment should be such as would be used by a reasonable and caring parent. A quick slap on the hand or leg would be acceptable. The association mentions no specific age for the differential treatment but says the dividing line is the age of puberty. That could occur as young as the age of nine.

Call for evidence: Mr Mar Morris, a former president of the National Union of Teachers, challenged Dr Boyson yesterday to produce evidence that corporal punishment was essential (the Press Association reports).

He said bad behaviour was as common in schools with corporal punishment as in those without. Boyson profile, page 7

London allowances claim

The National Union of Teachers is asking for an increase of a fifth in the allowances paid to teachers living in inner London. The claim will be pressed at a meeting on Wednesday of the Burgham Committee, which negotiates teachers' pay.

At present the allowances are £351 a year for teachers working in inner London, £267 in outer London and £141 in the fringe areas. Those came into effect on April 1, 1974.

Mr Frederick Jarvis, the union's general secretary, said yesterday the NUT wanted a 20 per cent increase to £423, £321 and £171 with the increases backdated to April, 1975.

He said: "Such an increase is permissible, as the entitlement predated the existing pay policy, as was made clear by Mr Foot, Secretary of State for Employment, to Parliament on July 30, 1975."



The Mazda 818, now with automatic transmission.

Brake on rotary car sales

By Peter Waymark
Motoring Correspondent

Cars using the Vauxhall rotary engine will almost disappear from the British market this year because of the decision of Mazda, the Japanese importer, not to sell any more rotary models once stocks have been cleared.

Sales of rotary cars, which generally use more petrol than cars with conventional engines of the same capacity, have declined since the oil crisis.

Mazda, the world's largest Vauxhall engine producer, sold only 950 rotary cars in Britain last year, compared with more than 2,700 two years before. The other rotary model sold in Britain, the NSU Ro80 from

the Volkswagen group, has also suffered a fall in sales.

Developed in Germany by Dr Felix Wankel, the rotary engine is smaller and lighter than the reciprocating unit and gives smoother performance. But because of the fuel penalty several manufacturers, including Leyland, Rolls-Royce and Daimler-Benz, have abandoned their Wankel programmes.

At the Tokyo Motor Show in November, however, Mazda launched a new rotary car, the RX5, with modifications to die 2.6 litre engine which are said to have improved fuel economy.

Mazda's sales target for Britain this year is about 11,000 cars. It forecasts that 36 per cent will come from the RX5 model, which is to be offered for the first time with automatic transmission.

Another Japanese importer, Toyota, today announces that it is adding a three-door, two-litre model, called the Liftback, to its Celica coupe range.

£5,419 paid for lacquered Chinese table

By Geraldine Norman
Sale Room Correspondent

Chinese furniture offered for sale at Sotheby's Park Lane, New York, on Saturday brought prices well beyond expectations, while on Friday expensive Chinese jade carvings had proved difficult to sell.

A mid-sixteenth century lacquered table made £11,000 (estimate £6,000 to £9,000) or £5,419, and a fine pair of Huang-hu-li display cupboards of the seventeenth century made £7,500 (estimate £4,000 to £5,000) or £3,695. An eighteenth-century Huang-hu-li side table made £4,250 (estimate £1,500 to £2,000) or £2,385.

Several distinguished fairs failed to find buyers. The most expensive piece to be sold was a lavender and fawn jade covered vase with loose ring handles at £3,000 (estimate £10,000 to £12,000) or £4,433. In the first two sessions of the sale on Friday, including snuff bottles, jades and porcelain, some £2 m out of 348 were unsold.

The Saturday session including bronzes and furniture, went better, with notable prices for a pair of vases, the knockdown price for the sale was £179,278.

George Davis' protest

Ten members of the "Free George Davis" campaign held a weekend vigil outside Wandsworth Prison, London, in protest against the imprisonment of Mr Peter Chappell, the campaign leader, for his part in damaging the Headingly Test wicket last year.

Examinations criticisms are answered

Well-off critics of school examinations should remember that it was the examination system that set them on the road to success, Mr Geoffrey Earnshaw, senior assistant secretary of the Associated Examining Board, says in a booklet published today.

The inspector who declares examinations would probably have been assistant manager of the local cooperative store in his home village if his examination qualifications had not enabled him to demonstrate that he had outstanding ability, Mr Earnshaw says.

He says critics who attacked the examination system as a "blight" on the lives of young people were able to enjoy a more comfortable and congenial life because of the successes. Students benefited because examinations told them something about themselves.

Sea rescue

Michael Lovell, aged 17, of Morewell Close, Holyhead, was rescued from the sea off Holyhead by a RAF helicopter yesterday after he tried to swim ashore from a broken-down boat.

One in a thousand

Only 12 of the 13,000 people in Cheddar, Staffordshire, had answered a council questionnaire on the future development of the town.

Charity's 'inefficiency' blamed for deaths

Continued from page 1

In a sermon preached in Salisbury Cathedral in May, 1974, Mr Smithers, who was then deputy director of Christian Aid, described how he found Lazarat. "Some three weeks after we left last October our convoy arrived in Niamey, capital of the Republic of Niger, which lies to the north of Nigeria. And when our work of preparing and handing over the vehicles was completed some of us went to the Camp Lazarat on the outskirts of the town."

"There, at that time, were some 10,000 Malien Toureg nomads, men and their families, from the desert regions of the Sahel, and beyond, who, finding very little succour in their own country, had come across the border into Niger and had set up this great camp."

The mounds of red earth outside the camp were eloquent indeed of the devastation that measles, malnutrition, starvation and the multiplicity of diseases which grip hungry bodies can wreak, and of the death that had taken place.

We played with some of the children in the tents, little Ahmed, Malalla, and many others. Six weeks later returned to the camp. All those children were dead.

What he did not then tell the cathedral congregation in May, 1974, was his belief that for those deaths in Camp Lazarat, the Toureg tribesmen, being foreigners, were not a high priority for the Niger Government's sparse famine relief programme and that the local population who would take them under their wing.

He found the local Roman Catholic bishop, Mr Berlier, who was virtually the only representative of any Christian church in the area. Mr Berlier knew, about Lazarat, but he was a poor man with no money and could do nothing to relieve the suffering of the refugees.

Mr Berlier agreed to set up a rudimentary relief programme for the camp if Christian Aid would fund it. He was promised an immediate cash grant and for more when he needed it. On December 21, by telegram from London, he was told that the initial grant would be £4,000 and it was being sent immediately.

On January 23, 1974, Mr Smithers returned to Niamey and visited Camp Lazarat. "Now the camp had grown to 13,000", he said in his Salisbury sermon.

The conviction who was with him at that second visit, looking at the faces of the people, listening to the stories they had to tell, wept. She wept all that day.

He went to the bishop to ask him what had gone wrong. The money had not arrived. The relief programme could not start without it. Mr Smithers called Christian Aid in London. He was told that the money had been sent in good time and difficulties in transmission occurred in the bank.

"In regard to Lazarat, I think it is probable that the money was not dispatched in time", he added. Christian Aid had gone most carefully into ways of checking and cross-checking the dispatch of money. New procedures for sending money were started in October, 1974.

He added: "If any organization says that in the course of years no mistake has ever been made, you know that they are telling a lie. I am not making an admission that a mistake was made."

He said he was not aware of anybody on the present staff who needed to be made aware of his responsibilities in connection with Lazarat and Ethiopia. "We are extremely sensitive of our responsibilities in regard to the use of the money that comes to us," Dr Slack added.

Dr Slack, who joined Christian Aid as director in the summer of 1974, said an inquiry into the agency's methods and policies had been held and had shown some administrative shortcomings. "We had been asking people to carry a very heavy load in an attempt to ensure a higher proportion of our money going to help the needy," he said. "It is always a very difficult decision to make."

It was inevitable in the nature of its work that Christian Aid would fund projects with a varying measure of success. "Although projects were chosen by the World Council of Churches in Geneva, Christian Aid had expert committees of its own which closely questioned organizations sponsoring projects. If there was doubt about them they were rejected."

The object of Christian Aid was sufficiently well known to the public, Dr Slack said, and it was "one of our proudest achievements" that the channel used to transmit aid to the needy was through Christian agencies in the country in question. Many of the projects were run under Christian sponsorship, but that was not a subsidy to the local church. Christian Aid did directly assist overseas churches through its "inter-church aid" programme, but funds for that were kept separate from the main funds and collected specifically for that purpose.

Lazarat was to some extent paralysed by the fate of the £10,000 emergency grant to Ethiopia, destined for destitute nomads in Wollo province. The request for help came from the British Embassy in Addis Ababa, with the personal support of the ambassador, and it was agreed by Christian Aid in September, 1973. After a television documentary on the Ethiopian famine by David Dimbleby, Christian Aid did one of several charities which appealed to the public for money for emergency relief.

The £10,000 was for the Ethiopian meat and livestock programme for the famine-afflicted nomadic farmers of Wollo.

"One mouth and God knows how much suffering later a telegram landed in London from Ethiopia saying the money

had not arrived", Mr Smithers said in the same memorandum.

The Finance Department said they had sent the money. It was eventually received in late November, 1973, and the delay was attributed to the banks through which the money had been sent. Recent inquiries by *The Times* indicate that Christian Aid's British bank had forwarded the money to Addis Ababa in the first week of October.

Two episodes led eventually to Mr Smithers's resignation. He is, according to senior men involved in overseas aid and in church affairs, a dynamic and highly regarded authority in his field, a man with the trust of government ministers.

He came to Christian Aid in 1971 from a senior position in the International Publishing Corporation, the newspaper and magazine publisher. A former Liberal parliamentary candidate, he had been in the IPC's exploration and adventure department and had led the 1968 hovercraft expedition which established the link between the Amazon and Orinoco rivers, and the 1970 trans-Africa hovercraft expedition.

He left IPC after reading in *The Times* of the horrors of the Bangladesh refugee camps and organized an airlift of 300,000 blankets to India.

As well as Lazarat and Wollo, Mr Smithers has on his files reports of other projects supported by Christian Aid which were also less than successful. Christian Aid's policy is to assist development by funding projects sponsored by national councils of churches, ecumenical bodies similar in principle to Christian Aid's own parent, the British Council of Churches.

Many such councils lack the experience to give adequate criteria which have little to do with Christianity or with development, such as ritual practices and a desire to please local political establishments. Christian Aid relies upon the World Council of Churches in Geneva to draw up approved lists from which national aid agencies can make their selection.

As a result, Third World churches have a powerful financial incentive to be economical in their initiatives and to choose projects likely to attract attention to their own churches in Europe and America who may know next to nothing about local conditions.

Dr Kenneth Slack, director of Christian Aid, has told *The Times* that there was no evidence that Christian Aid had caused or contributed to the loss of hundreds of lives in Ethiopia or in the Sahel. In the case of Camp Lazarat, no information about the money was sent in good time and difficulties in transmission occurred in the bank.

"In regard to Lazarat, I think it is probable that the money was not dispatched in time", he added. Christian Aid had gone most carefully into ways of checking and cross-checking the dispatch of money. New procedures for sending money were started in October, 1974.

He added: "If any organization says that in the course of years no mistake has ever been made, you know that they are telling a lie. I am not making an admission that a mistake was made."

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WEST EUROPE

Secret truce between King and Basque militants collapses

From Harry Dabellias
Madrid, Jan 18

The first Spanish policeman to be killed by political extremists in the post-Franco era was buried today in the small southern town where he was born, for from the northern mountainside where a bloody truce between King Juan Carlos and Basque militants had broken down.

The killing suggests that a secret truce between the Government and militant Basque separatists has broken down. The truce, according to informed sources, has been in effect since King Juan Carlos was sworn in.

The resumption of guerrilla warfare by the Basque nationalists is believed to be the result of the failure of the authorities to control right-wing extremists operating against the separatists.

The killing also suggests that the kidnapping of the son of a Basque industrialist last week was indeed the work of the ETA (Basque Homeland and Liberty), although that at first seemed doubtful.

Señor Fraga, the Interior Minister, heard of the policeman's violent death while he was flying back to Madrid from Nice after a meeting with the French Interior Minister, during which the Basque question was undoubtedly discussed. For years the Franco regime complained that France was carrying out Basque separatists carrying out hit-and-run violence on the Spanish border.

There are signs of a toughening Government attitude in the face of strikes. In what seemed to be an effort to break the strike wave, now affecting at least 25 towns, the political police made a raid on a party at a private home in Madrid yesterday. They arrested a lawyer, who specializes in labour

affairs, and 34 of his guests, including 22 fellow labourers. The police yesterday fired 76 out of a group of 120 persons who had been taken into custody last Thursday at the offices of the Workers' Brotherhood in Carabanchel.

The police claimed that those attending the meeting, including certain opposition politicians and suspected leaders of illegal trade union movements, were discussing plans for a general strike. No charges have yet been announced against the 44 still in custody.

The Government is taking precautions to avoid further transport breakdowns which might result from labour disputes. Informed sources say that railway officials have received large numbers of badges bearing the letter "M". Such badges were handed out to postal employees last week when the Government militarized all of them in order to put an end to a postal strike.

Riot police forced bank clerks to end sittings at four banks in Madrid yesterday. After being removed, the bank employees joined other strikers at a church in a working class suburb, where about 2,500 persons staged a protest meeting.

Madrid, Jan 18.—The police used tear-gas today to disperse about 150 Madrid labourers who tried to present a petition on police chiefs' call for the immediate release of 55 people, including 22 labourers, arrested yesterday.

The police have back-lashed against officials of the Madrid Bar Association, from the main door of the security headquarters.

Later 18 out of the 55 were released, but a police spokesman refused to say whether the 37 being held would be released without charges. Reuter.

Avalanche kills Austrian skiing champion

Innsbruck, Jan 18.—Gyrdur Gabb, the Austrian women's Alpine skiing world cup winner of 1969, was killed today when an avalanche hit a group of skiers near St Anton in Tyrol.

According to the Gendarmerie, Fräulein Gabb and two companions, both rescued alive, were skiing outside the officially designated secure track at an altitude of about 6,500ft on the northern slope of Mount Gargler when the avalanche struck.

A rescue team immediately started the search. They were assisted by volunteers, avalanche dogs and three helicopters.

Fräulein Gabb, aged 27, was several times Austrian women's champion in the special slalom, the giant slalom and also captured a few combined titles. She rose to international fame in the spring of 1969, with a victory in the slalom at the Austria's first Alpine world cup win.—AP.

Women try to occupy Milan Cathedral

From Our Correspondent
Milan, Jan 18

The Archbishop of Milan, Cardinal Colombo, today asked about 300 members of the women's liberation movement yesterday to occupy Milan Cathedral.

They were demonstrating against the Roman Catholic Church's stance on a Bill in the Italian Parliament which would make abortion legal, and against the Vatican document condemning all sex activity outside marriage.

Some 50 demonstrators succeeded in entering the cathedral, including one who was roughly handled by the police, before being detained until they were identified. Those who had remained outside sought help from students who were holding a protest meeting nearby against the death sentences passed in Italy.

Violent clashes followed in which petrol bombs were thrown at the police.

Soviet espionage chiefs in France named by papers

From Our Own Correspondent
Paris, Jan 18

Anyone connected with intelligence activities in France knows full well that there are two heads of the Soviet espionage organization in this country, the independent left-wing weekly publication *Le Nouvel Observateur*, writes in its latest issue.

The long article is devoted to the American Central Intelligence Agency and the rivalry between its agents and those of the Soviet Union in France. It names the alleged "resident" spy of the Soviet KGB and that of GRU (the intelligence organization of the Soviet General Staff). They both appear in the diplomatic list as counsellors of the Soviet Embassy in Paris.

The independent right-wing newspaper *L'Aurore* alleges that "one of the most eminent" Soviet agents in France is military attaché General Charles de Gaulle. He is a leading personality of the GRU, the newspaper claims.

His father had played an important role of the same kind under Stalin according to the newspaper. The son began his career as an agent in France from 1951 to 1953. Between 1953 and 1963 he was in Italy, preparing the decomposition of the regime.

Between 1963 and 1969, he disappeared from sight; but he re-emerged in 1969 in the shadow of General Giscard d'Estaing, to prepare the takeover of South Vietnam. *L'Aurore* goes on.

Le Nouvel Observateur says that the United States and the Soviet Union have about the same number of accredited diplomats in Paris. For the SDECE, the French counter-espionage organization, every Soviet diplomat is a potential agent. The same is not true of the American diplomat.

French intelligence organizations keep a close eye on the rare Soviet students and tourists in France, and watch the ground and flying staff of the Soviet Aeroflot airline very carefully. The CIA and the SDECE, the article goes on, also keep another eye on the arrival of suspects in France.

"In spite of some snags, relations between the SDECE and the CIA seem to be more harmonious under (President) Valéry Giscard d'Estaing than under (General) Charles de Gaulle," Mr Victor Marchetti, a former agent of the CIA and one of the first to reveal its humours and its secrets, is quoted by *Le Nouvel Observateur*. "There is a kind of trial of strength going on between the KGB and the CIA. In France, as elsewhere, the Russians seek to dismantle the American network in order to speed up the collapse of capitalism."

Mr Philip Agee, another former employee of the CIA, is quoted by *Le Nouvel Observateur*. "There is a kind of trial of strength going on between the KGB and the CIA. In France, as elsewhere, the Russians seek to dismantle the American network in order to speed up the collapse of capitalism."

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Relatives of man kept 60 years in pigsty arrested

From Our Own Correspondent
Rome, Jan 18

Three men were arrested at the weekend at Anagni, near Rome, after an elderly man had been freed from a pigsty in which he lived for about 60 years.

The victim, Signor Carmine Ferretti, had been kept in conditions scarcely suitable for an animal since, as a young boy, he had sustained brain damage and physical difficulties after an attack of meningitis.

The arrested men are his brother and two nephews. They claim that Signor Ferretti had been passed on to them in this condition when his parents died and they had simply carried on the treatment that his father and mother had decided for him.

First reports were of charges of kidnapping made still more serious by the fact that the victim was mentally handicapped.

It is now reported from the area that the three arrested men will face charges only of ill-treatment as a witness said that Signor Ferretti had no occasion at least been seen working in the fields.

His family drew a small invalid pension on his behalf and they were apparently able to use the proceeds of a piece of land in his name.

Signor Ferretti has been taken to hospital. His relatives refused to accompany him in the ambulance on the ground, it is said, that the animals had to be attended to.

OCCIDENTAL OF LIBYA, INC. SETTLES LIBYAN DISPUTE.

OCCIDENTAL OF LIBYA, INC. ANNOUNCES THAT ITS RECENT DISPUTE WITH THE LIBYAN GOVERNMENT HAS BEEN RESOLVED, AND THE COMPANY'S LIFTINGS OF CRUDE OIL FROM ZUEITINA TERMINAL HAVE BEEN RESUMED. NORMAL RELATIONS WITH THE LIBYAN GOVERNMENT AND THE NATIONAL OIL COMPANY OF LIBYA HAVE BEEN RE-ESTABLISHED. OCCIDENTAL WILL TAKE NO FURTHER ACTION AGAINST PERSONS PURCHASING CRUDE OIL FROM THE LIBYAN GOVERNMENT OR THE NATIONAL OIL COMPANY OF LIBYA WHICH WAS PRODUCED FROM CONCESSIONS 102 AND 103 IN LIBYA.



OCCIDENTAL OF LIBYA, INC.

A SUBSIDIARY OF OCCIDENTAL PETROLEUM CORPORATION

EUROPE

Rich lawyers plan
strike against
court procedures

es Hargrove
18
First time since the
century, when they
members of the Paris
to Rennes, the rela-
France will stage a
trial in "protest"
new divorce law and
civil and criminal
introduced on New
association will de-
termining and length
independently. The
ill strike from Wed-
Saturday next, but
service will be
ent business affect-
liberty or labour
ins and Auxerre, the
last a week.
400 lawyers walked in
ad perfect order
streets of Paris yes-
noon, from the law
de la Cité to the
of Justice.
cousal procession,
ed some amazement
weekend shoppers.
In very dignified
the Usher of the
Council, in tall coat
chain of office and
his side.
stration was oriz-
ave been limited to

Guerrilla
chief caught
in Milan
gun battleGuerrilla
chief caught
in Milan
gun battle

Milan, Jan. 18.—Police
stormed a flat in Milan tonight
and after a gun battle captured
Renato Curcio, aged 35, leader
of an ultra-leftist terrorist
group called the Red Brigades.
One officer was reported
wounded by a hand grenade
tossed from inside the flat.
Nadia Mantovani, a member of
the guerrilla band, was also
taken prisoner.
Signor Curcio, one of Italy's
most wanted fugitives, escaped
nearly a year ago from prison
where he was awaiting trial on
charges of armed robbery and
kidnapping.
Police have described him as
the founder of the Red
Brigades, a group implicated in
industrial espionage, robberies
and kidnappings, including the
abduction of a state prosecutor,
Signor Mario Sossi, in 1974.
Signor Curcio's wife, Marg-
herita Cagol, was killed in a
gun fight last June when police
raided a secluded farm south
of Turin and freed Signor Vi-
torio Vallarino Gancia, the
vermouth manufacturer. Investi-
gators said they believed the
Red Brigades abducted Signor
Gancia to extort ransom money
to finance their activities.
Signor Curcio and his wife
both received degrees from the
Institute of Sociology in Treviso.
They formed the Red Brigades
in 1972.
The raid on the Milan flat
followed the capture earlier in
the day of three other persons
identified as members of the
urban guerrilla group.

Quintuplets born
to Dutch woman

Rotterdam, Jan. 18.—Quintup-
lets were born to a Rotterdam
woman yesterday, and the
mother and her three boys and
two girls were as well as could
be expected, a hospital spokes-
man said.
The babies, each weighing
about 3lb, were born by
Caesarean section after a long
and difficult labour. The babies
were born to Mrs. Johanna den
Ouden, aged 32. Her husband,
Hendrik, aged 34, is a salesman.
—Reuter.

C agreement with Algeria

hael Hornsby
Jan 18
Inclusion over the
of a landmark agree-
ment and aid between
and Algeria, con-
sidered long and painful,
the first stage of the
y's ambitious plans
creation of a vast
ocean free trade area
nearly a dozen
ement with Algeria
in line with those
in recent weeks
Algeria, Tunisia and
The first agreement
ind was reached with
the months ago, but
early complicated the
of the negotiations
Arab countries.
tions were particu-
larly difficult with Algeria,
of its role as a

leader of radical opinion in the
Third World.
The negotiations, which
finally ended at 6 am yester-
day after an arduous session,
were held up by the EEC's
insistence on a formal Algerian
undertaking to refrain from
discrimination against Euro-
pean governments, companies
or individuals trading with
Israel.
A non-discrimination clause
was included in the final
agreement, but the Algerians
in an accompanying letter
apparently reserve the right to
subordinate the operation of
the clause to the requirements
of "national security".
Under the agreement, which
was negotiated by the Euro-
pean Commission and has yet
to be approved by the Council
of Ministers, Algeria would
enjoy duty-free access to the

Dutch make
concession to
Moluccans

From Our Correspondent
The Hague, Jan. 18
The Dutch Government is
willing to recognize that the
South Moluccan community
living in exile in the Nether-
lands presents problems which
political as well as social
aspects. The Moluccans, ex-
cused from what is now part
of Indonesia in 1951, want to
return to an independent
republic in the islands where
they formerly lived. There are
some 33,000 of them living in
Holland.
This is the first result of
talks held between members of
the Dutch Cabinet and the self-
styled Government in exile of
the South Moluccan Republic
yesterday. The talks were one
of the conditions agreed to last
month on the surrender of two
groups of young Moluccan ter-
rorists who hijacked a train
and took hostages in a raid on
the Indonesian Consulate in
Amsterdam.
One of the main grudges of
the South Moluccan com-
munity, which refuses to inte-
grate, is that the Dutch have
refused to take their political
demands seriously. The Dutch
Government has now said that it
recognizes that their political
demands exist, although it does
not agree with them, nor does it
expect to be able to help the
Moluccans to realize them.
After the talks, which lasted
four hours, the Moluccan
leaders expressed "moderate
satisfaction". The leader of
the main Moluccan youth
movement, the group to which
the gunmen who hijacked the
train and raided the Indone-
sian Consulate belong, has
echoed this opinion.
A working committee is to
be set up in order to continue
the dialogue between the
Dutch and Moluccan leaders.
Both sides have said they are
happy with this development.

26,000 litres of wine
split in protest

Carcassonne, Jan. 18.—Wine
growers protesting against wine
imports, blew up part of the
Narbonne-Toulouse railway line
today and blockaded the motor-
way near Douzens with burning
tyres. A tanker from Portugal
was seized and 26,000 litres of
port were split.

OVERSEAS

US denies exchanging
messages with PLO

From Patrick Brogan
Washington, Jan. 18

The State Department has
denied categorically that it is
sending secret messages to the
Palestine Liberation Organiza-
tion. A report in Friday's
Financial Times said an Ameri-
can professor had been acting
as go-between, carrying two or
three messages between Ameri-
can officials and the PLO in
Beirut, and that American
officials had offered to meet
representatives of the PLO
secretly.

The State Department says
that the report is untrue, but
admits that from time to time
individuals come to the depart-
ment saying that they carry
messages from the PLO, and
that they are interested in
the PLO. He would not comment
on the statement in *The Finan-
cial Times* that he had carried
messages from one side to the
other at their request.

He said that there were a
number of inaccuracies in the
report, but he did not deny its
substance. He said that he was
in "irregular contact" with
"people of some importance"

on both sides, and would go no
further.

Professor Merzinsky comes
from a Jewish, Zionist family
and he has many relations in
Israel. At one point he thought
of emigrating there, but
decided against it. While teach-
ing, he has specialized in rela-
tions between Israel and the
United States and on Middle
East questions generally.

He said that his closest polit-
ical associates in Israel were
the Israel Group for Civic and
Human Rights, whose leader is
Professor Israel Shabka, of the
Hebrew University, Jerusalem.
The Financial Times said on
Friday that they agreed to be
no indication that the Ameri-
cans were thinking of changing
their policy of refusing to deal
with the PLO so long as it
refused to recognize Israel's
right to exist, but that they
wanted to sound out the PLO
on the evolution, if any, of its
attitude towards Israel.

The State Department points
out that a number of congress-
men, including Senator George
McGovern, have talked with
leading Palestinians recently
and have passed on their find-
ings to the Department of
State. It observes that there
are many ways of hearing from
the PLO, and that through per-
petic, professors.

Tough Israeli measures to
prevent press leaks

From Our Correspondent
Tel Aviv, Jan. 18

Passing information about
secret diplomatic exchanges or
meetings with representatives of
foreign governments with which
Israel has no diplomatic rela-
tions will be punishable by 15
years' imprisonment, according
to a decision reached by the
Cabinet in Jerusalem today.
Gathering, noting or possessing
such information brings seven
years' jail.

The measures were adopted
today by the Cabinet but re-
quire approval of the parliamen-
tary foreign affairs and security
committee.

They were intended as the
Government's answer to recent
press leaks about a message
from President Ford to Mr
Rabin, the Prime Minister, pro-
testing at Israel's plan to settle
the Golan Heights and a secret
mission by Mr. Yigal Allon, the
Foreign Minister, to Europe,
where he is said to have met
the Foreign Minister of Zambia.
Mr. Moshe Zak, vice-president
of the Israeli Press Council,

promptly attacked the measure
as "the start of political cen-
sorship". He said a committee
of Israeli newspaper editors had
met Mr. Rabin last week but
failed to talk him out of the
proposed measure.

The Government invoked its
power to declare secret any
subject approved by the parliamen-
tary foreign affairs and security
committee. Press
reports on such matters must
be submitted to military cen-
sorship.

Subjects hitherto declared
official secrets were: immigra-
tion from certain countries;
information concerning petrol-
eum pipelines and tankers;
foreign loans and all delibera-
tions of the ministerial security
committee. Mr. Zak said the
earlier moves had been
approved by the Israeli editors.

No one has yet been pro-
secuted under the law but Mr
Zak said that the Opposition
member of the parliament
committee, said he would chal-
lenge the measure. He asserted
that the law as it stood already
empowered the Government to
prosecute the leakers, but it
refrained from doing so for fear
of political consequences.

Date set for
Cyprus
peace talks

Ankara, Jan. 18.—Inter-
communal peace talks on
Cyprus will begin on
February 17, Mr. Ihsan Sabri
Caglayan, the Turkish
Foreign Minister announced
today.

In a foreign policy speech
during a budget debate in
Parliament, Mr. Caglayan
said the date was fixed as a
result of contacts between Dr
Kurt Waldheim, the United
Nations Secretary-General, and
the leaders of the Greek and
Turkish communities in
Cyprus. He did not say where
the meetings would take place.
The talks will be conducted
within a framework agreed
upon by the Greek and Turkish
foreign ministers in a meeting
in Brussels last month. This
means without preconditions
and with an open agenda, he
said.

"At this point I would like
to emphasize that our attitude
will be one of standing firm
against moves in contradiction
with our justifiable views and
demands."

On Turkish-Greek relations
he said: "As long as Greece
acts in a spirit of good will it
will always be facing a peace-
ful and untroubled Turkey".
He said Turkish-American
relations had suffered "a
serious crisis" following the
imposition of an American arms
embargo because of Turkey's
invasion of Cyprus.
Nicosia, Jan. 18.—Mr. Glafkos
Clirides, the Greek Cypriot
leader, said yesterday he had
withdrawn his resignation as his
community's chief negotiator in
talks with Turkish Cypriots.

In a formal statement, he said
he had changed his mind after
appeals from his parliamentary
colleagues. Mr. Constantine
Karamanlis, the Greek Prime
Minister, and Dr. Waldheim, AP
and Reuter.

'No hatred of
Americans'
in Vietnam

Hanoi, Jan. 18.—Senator
George McGovern, of South
Dakota, the Democratic presi-
dential candidate in 1972, said
he yesterday that he was
impressed by the effective way
Vietnam was using foreign aid
and by the attitude of rancour
towards the United States.
Senator McGovern was end-
ing a five-day visit to Vietnam.
He was an outspoken critic of
America's involvement in the
war there.
"There is no hatred towards
the American people," he
declared. The Vietnamese he
met during his visit had empha-
sized that they differentiated
between a war waged by the
Nixon Administration, and the
attitude of ordinary Americans
to the war.—Agence France-
Presse.

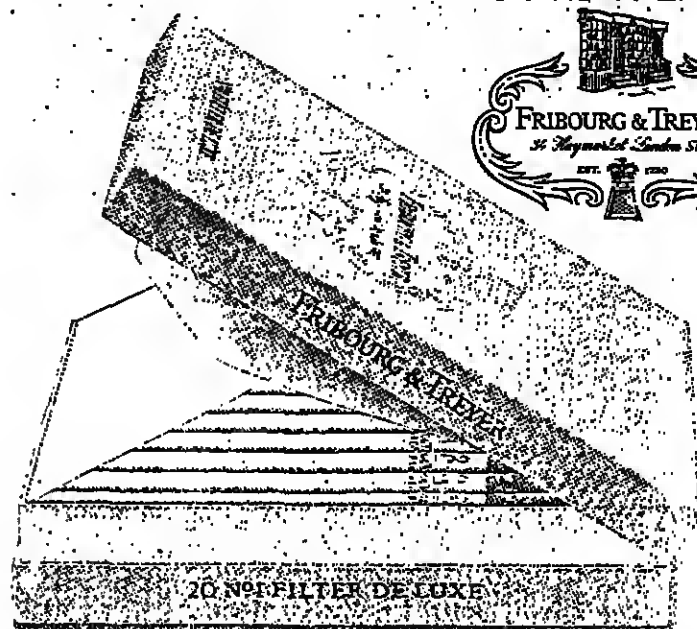
Our shop has only had one
client in 250 years.

He looked in only last week.
We spent some time with him as
he browsed through our collection
of pipes and examined the antique
snuff boxes.
He then asked about the
shop's history dating back to 1720
and sampled one or two snuffs.
Finally, he purchased a box of

No.1 Filter de Luxe, remarking
that it was unusual to receive so
much attention over a single
transaction.

We replied that it had always
been our policy to treat each caller
as being the shop's only client. We
could have added that in so doing
we had just gained another.

FRIBOURG & TREYER



55p for 20 Recommended price. If you so wish, No.1 Filter de Luxe are available at
£6.00 for 200 in 20s including post and packaging from 34 Haymarket, London SW1Y 4HB.

MIDDLE TAIL
Manufacturer's estimate, October 1974, of group as defined in H.M. Government 1969
EVERY PACKET CARRIES A GOVERNMENT HEALTH WARNING



The Cathedral Appeal
The Cathedral Appeal is a fund-
raising scheme for the repair and
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and has since raised over £100,000.
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OVERSEAS

Leftist MPLA forces continue rout of demoralized FNLA army in northern region of Angola

From Nicholas Ashford
Luanda, Jan 18

Armed forces from the leftist Popular Movement (MPLA) were today advancing further north towards the Zaire border in an attempt to complete their rout of the Western-backed National Front (FNLA) in Angola.

In the south the MPLA claimed to be slowly pushing back the third nationalist movement, the Union for the Total Independence (Unita), from its positions about 250 miles south-east of the capital.

The MPLA force in the north, which in the past two weeks has succeeded in driving the FNLA from most of its main centres, appears to be aiming at the last two towns of any size remaining in FNLA hands. These are the coastal oil towns of San Antonio and Zaire, on the southern bank of the Zaire (Congo) river, and San Salvador, about 70 miles to the east.

San Salvador is the former capital of the Bakongo tribe from which the FNLA derives most of its support, and the birthplace of the movement's leader, Mr Holden Roberto. Its loss would be a psychological blow to the already demoralized FNLA army.

According to MPLA army commanders, their forces have experienced little opposition during their advance northwards and their progress has been slowed only by the FNLA blowing up bridges along the route.

It is still unclear exactly how far south the MPLA intends to advance, but according to informed sources they are expected to stop well short

of the Zaire border so as not to provoke a counter-attack by the Zaire Army. Last week President Mubutu threatened he would retaliate if the MPLA violated Zaire territory.

In a move designed to demonstrate the validity of the MPLA military claims, a group of journalists was taken on a visit to the fishing village of Ambundu this weekend. Situated about 120 miles north of Luanda, it was taken by the MPLA 9th Brigade last Tuesday.

According to the brigade leader, Commander Ndoto, the FNLA put up no resistance and his troops were able to walk into the town unopposed. Apart from a wrecked Alouette helicopter, said to have been destroyed by a stray FNLA bullet, there were no visible signs of any fighting having taken place.

Commander Ndoto claimed that about 50 white mercenaries had left Ambundu shortly before the MPLA arrived, blowing up the bridge over the river Mebridge about eight miles to the north-east. One of the 30 FNLA prisoners captured was the son of the late President Mubutu, said to be a Portuguese and South African mercenary who had been fighting for the FNLA.

More fighting has also been reported around Luso, in the middle of the eastern section of the Benguela railway. At present Luso is still in FNLA hands. The only part of the railway still with the MPLA is around Teixeira de Sousa on the eastern border with Zaire. There the MPLA has blown up bridges to prevent Unita from gaining control of the whole line.

instructors, some of whom talked briefly to the visiting journalists. It was said they were mainly being used to operate sophisticated weapons with which the MPLA had had no previous experience.

The MPLA has captured large quantities of arms and ammunition during its advance northwards, including about 700 cases of Nato standardised ammunition and boxes of rockets bearing the words "From the USA for mutual defence", procured in Italy by the Ordnance Corps of the United States Army. Other weapons put on display were mainly of Second World War vintage, including Browning heavy machine guns, light machine guns and an assortment of rather ancient ammunition.

In the south fighting is reported to be taking place around the towns of Cella and Santa Comba, on the main road from Luanda to the Unita-FNLA capital of Huambo (formerly Nova Lisboa).

According to UN reports in Luanda, South African troops have been withdrawn from this area. Previously Cella airstrip had been used to land aircraft carrying South African troops from their base in Groenfontein in Namibia (South-West Africa).

More fighting has also been reported around Luso, in the middle of the eastern section of the Benguela railway. At present Luso is still in FNLA hands. The only part of the railway still with the MPLA is around Teixeira de Sousa on the eastern border with Zaire. There the MPLA has blown up bridges to prevent Unita from gaining control of the whole line.

New York's accounting methods criticized

From Frank Vogl
United States Economics Correspondent
Washington, Jan 18

New York City has so far received \$510m (£255m) of short-term loans from the Treasury, and this financing source, which is saving the city from bankruptcy, could well run dry before too long unless the city swiftly and radically improves its accounting practices and financial planning.

Government loans to New York can only be made under the law passed last month if Mr William Simon, the Treasury Secretary, is confident that the Government has a reasonable prospect of repayment. A dark cloud has been cast upon this prospect by a special report compiled at the request of the Treasury by the accounting firm of Arthur Andersen and Company.

The report states that the city is greatly over estimating its likely revenue this year, while being well behind in its planned spending cuts.

The crucial test for the city could come when it has to make repayments to the Treasury at the start of the new fiscal year on July 1, 1976. A crisis could develop before then if Mr Simon decides that the city will not be able to make the repayments.

Simon has been extremely guarded in commenting on the Arthur Andersen report. He noted only that the Treasury will continue granting loans to the city for the time being and that the city must improve its long report "identifies an important target which must be met if New York City is to be returned to a totally sound fiscal and financial basis. I will take all steps within my power to ensure that these targets are met."

The report suggests that the city's plans for the current fiscal year are quite possibly optimistic and that it will end with a budget deficit some \$400m greater than it currently expects. The report notes that the city's planners are using highly unreliable figures, inadequate data processing systems and extremely unreliable accounting methods.

The report states that the city's new three-year plan calls for spending cuts in the current fiscal year of \$200m, but that by the end of December only \$50m of cuts had been worked out and only \$12m of reductions had actually been achieved. The city's total spending estimates appear to be unrealistic, according to the report.

But the most alarming aspects centre on the city's calculations of revenues. Here the city makes the assumption that New York State and the Federal Government will continue to pay for 50 per cent of the city's health and education and public safety costs and for 70 per cent of its welfare costs.

The blunt comments about the reliability of figures issued by the city are partly based on the discovery that \$192m of the current year's estimated property taxes were in fact collected in the last fiscal year and on the finding that the city's mortgage payments in the current year are underestimated by \$66m.

The report also suggests that a good number of payments by the city may be delayed so as to assure a balanced budget in 1976.



Mr James Martin at Heathrow after being welcomed by his wife Pat and their three children—David (right), Clare and Joanne (wearing glasses).

Detained Briton back from Zaire

Mr James Martin, the British businessman who was detained in Zaire for four months after a flight aircraft in which he and three other people had been travelling, arrived in London yesterday, still not knowing why he had been held.

He was released last Tuesday after a personal appeal by Mr Wilson to President Mobutu of Zaire. His wife, mother, two daughters and son were at Heathrow airport to welcome him.

Mr Martin, the commercial director of Alaska International Airlines, said he had been on a business trip to Zaire. The aircraft, in which he and three other people had been travelling, arrived in London yesterday, still not knowing why he had been held.

When they landed he was put in prison for a month and then placed under house arrest for three months. He said the first month had been "hell", spelling the word out, but that otherwise he had not been treated too badly.

He was reluctant to say too much because another European was still being held in Zaire. Mr Martin said any suggestion that he had been spying was "absolute rubbish". The Zaire authorities did not even hint at the reason for his detention.

UN waits for Arab resolutions

East Peter Strafford
New York, Jan 18

The United Nations Security Council has now spent a week on its much-heralded discussion of the Middle East. But in spite of all the speeches, things are hardly different from what they were when it started last Monday.

Delegates are still waiting to see whether the Arabs can overcome their own differences. There is still no indication of what resolution or resolutions will be put forward, and whether or not or they will be adopted.

The big question now is what line the Americans will take when their turn to speak comes tomorrow. So far they have remained studiously aloof, at least in the public debates, though they have made it clear from the beginning that they

were ready to veto any resolution they did not like.

The initiative for the debate came from the Syrians, who insisted on its being held in exchange for resuming the mandate of the United Nations force on the Golan Heights. But the Syrians' proposals for a strong resolution dealing with the "national rights" of the Palestinians and Israel's withdrawal from all occupied territories ran into Egyptian objections.

"We want a resolution which will be vetoed," an Egyptian official said on Friday night. The Egyptian objective was a resolution on which the Americans could abstain, and it would have to be less far-reaching than the proposals of the Syrians.

All the Arabs would like to get the support of the west. European members of the council, Britain, France, Italy and Sweden. All of them have now

Russia to use 250 H-bombs to blast canal

The Soviet Union plans to use 250 nuclear bombs some more than a hundred times as powerful as the bombs dropped on Hiroshima and Nagasaki during the Second World War.

The bombs are intended to blast an 80-mile long canal through solid rock. Mr Boris Shklyarskiy, however, said the Soviet Union was asking whether the explosions will release radiation to pollute the environment.

The canal is needed to save the Caspian Sea, which has been drying up for decades, partly because of the vast amounts of water taken from its main tributary, the river Volga, for irrigation.

The Soviet Union's plan to divert the Volga into the Caspian Sea would be a disaster, say experts. The canal is needed to save the Caspian Sea, which has been drying up for decades, partly because of the vast amounts of water taken from its main tributary, the river Volga, for irrigation.

The bombs, of up to three megatons, exploded at up to 20 a time, could cut excavation costs by a third and reduce substantially the time required to dig the canal, he claims.

Three bombs have already been exploded on part of the proposed canal, and have given Soviet engineers information about the technique and possible effects, including pollution.

Soviet experts stress that careful calculation of the size and depth of the explosions would keep pollution well below internationally permitted levels "outside the corridor of sea", though Mr Shklyarskiy does not state how large the would be.

Another possible hazard of explosions of this size is that they could start earthquakes, though Mr Shklyarskiy states that Soviet Union is now able to forecast the consequences accurately enough to rule out "unwanted consequences".

Peaceful nuclear explosions have already been used in the Soviet Union to increase oil and gas yields and to blast huge underground reservoirs for storing gas, he states. Those he describes, though, were kiloton explosions, the size of the Hiroshima bomb or smaller.

37 feared drowned

Seoul, Jan 18.—Thirty-seven people were feared drowned when a ferry sank off the Korean island of Ulju, the police said today. Nineteen people swam to safety or were rescued.—Reuter.

Nyerere view of Soviet role in Africa

Delhi, Jan 18.—President Nyerere of Tanzania today defended African support for Cuban and Soviet involvement in Angola but strongly denied that the Africans were fighting for communism.

"We are not fighting for communism in Africa but we are fighting for the liberation of our own countries," he told a press conference at the end of a state visit to India.

He said that the biggest failure of the recent summit conference in Addis Ababa of the Organization of African Unity was the failure to distinguish between what he called South Africa "aggression" in Angola and the continued desire to end the internal fighting in that country.

had gained freedom through peaceful negotiation but in others like Angola it involved fighting, and the African movements had been slow to receive arms only from communist countries, including the Soviet Union and Cuba.

Communist support received by the Popular Movement (MPLA) was only a continuation of that process, he went on.

That did not mean that the fight was for communism. There was a "very serious difference of opinion" at the summit over arguments that demanding South African withdrawal from Angola meant that Cuban and Soviet involvement would be ended.

That was also the line taken by President Ford in a letter

to African heads of state. President Nyerere said that the American condition was "arrogant and uncalled for".

Defending support for the MPLA, he said that they had fought the Portuguese and continued to fight South African troops.

South African involvement in Angola amounted to aggression taking advantage of the internal differences.

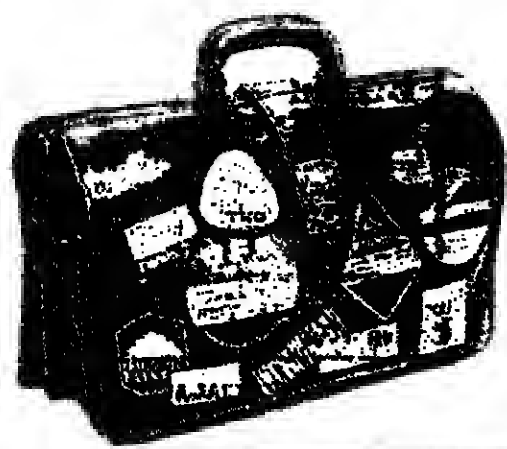
The OAU had begun its inaugural meeting in January by supporting and recognizing the government in exile of the National Front (FNLA) but had later changed its support to the MPLA when it found that the movement was doing all the fighting against colonialism.

Now Barclays Bank is in Munich

Today Barclays International opens a business development office in Munich, in southern Germany, an area of growing economic importance.

The new office will complement our branches in Frankfurt and Hamburg and our office in Düsseldorf, and will act as a strategic banking centre for companies involved in international trade with the region.

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Daughter put in charge of Rothko estate

New York, Jan 18.—The daughter of Mark Rothko, the late painter, has won her four-year legal battle to become sole executor of her father's \$30m (about £15m) estate.

Miss Kate Rothko was named on Friday by Judge Millard L. Lasker to replace the three trustees as executors in her father's will.

The judge had ruled in December that the former executors were liable to \$9m in damages for conflict of interest and negligence in disposing of the father's paintings.

Mr Frank Lloyd, the head of the gallery who sold 57 paintings from the estate in violation of a court order after Miss Rothko began her suit.—AP.

Court action considered over missing Rhodesian

From Our Correspondent
Salisbury, Jan 18

A Rhodesian Government spokesman has denied all knowledge of the whereabouts of Dr Edson Sithole, the missing African nationalist, and has denied allegations that he is being held by Rhodesian security police. He added that Dr Sithole was not in detention or under restraint.

Mr H. Shaw, the Salisbury lawyer in charge of Dr Sithole's case on behalf of his family, said today that counsel had been briefed with a view to bringing a High Court action. He did not elaborate.

Dr Sithole, who was publicity secretary to the Africa National Congress, a nationalist supporting Bishop Abel Muzorewa, disappeared on October 15. He was seen boarding a grey van outside Salisbury hotel with Miss Marian Muzorewa, his secretary, and driven away. His car was later found abandoned near the eastern border town of Umtali but the police have failed to uncover any further clues to his disappearance.

Dr Sithole's family engaged a private detective, Mr J. Taylor, to help in the search. Mr Shaw has passed a copy for a writ of habeas corpus for Dr Sithole with the registrar of the High Court. The registrar indicated that an application would be heard in the near future.

The lawyer's affidavits may be issued as soon as enough money has been collected to pay the fee of Mr Taylor. Dr Sithole was a leading figure of the Muzorewa group and was firmly opposed to any settlement of the constitutional issue of majority rule. He is renowned in Salisbury for his role in the political scene the preventive detention powers were effectively on hand. It was also hardly likely that he would have been arrested by security men outside an hotel frequented by journalists.

Yet his family insist that he is still alive.

One man who is out to prove there is nothing in it all is Mr Don Dunstan, the South Australian Premier. He has promised to stand Canute-like on Glenelg beach tomorrow.

Adelaide prepares to meet its doom

Adelaide, Jan 18.—On the eve of its predicted "doomsday", this South Australian city is awaiting the appointed hour with lively interest, but is refusing to quake with fear.

Private homes are rocking to "pre-quake parties", massage parlours are offering "tidal wave specials" and car dealers are advertising "crumbling prices". But Mr John Nash, the clairvoyant house painter, who said the city of 800,000 people would be destroyed by an earthquake and a tidal wave, was nowhere to be found. He was last heard of in Melbourne, 400 miles away.

Despite the mood of disbelief, Mr Richard Sterling, a prominent Australian astrologer, said on Friday that planetary influences supported Mr Nash's prophecy of doom. He predicted that South Australia would be hit by disaster either tomorrow or on Tuesday.

Some immigrants in Adelaide have left the city for the hills after hearing rumours of disaster. A community leader said that because of language difficulties the immigrants were not aware of the scientific evidence published over the past few days refuting the prediction.

A jury near by will be the venue for an "earthquake party". Guests have been asked to wear flip-flops, a snorkel and bow tie and the host has promised to leave plastic bottles in which the partygoers can leave distress messages.

Meanwhile, in Sydney, an off-shore cyclone was reported by emergency services to be heading down on Australia's east coast today forcing ships to scurry for shelter before 75 mph winds.

Argentines in Falklands to build airstrip

Port Stanley, Falkland Islands, Jan 18.—An Argentine naval transport vessel has arrived here to unload materials to extend the temporary airstrip on the Falkland Islands.

The Cabo San Gonzalo arrived on Friday night for a scheduled visit to the islands, whose ownership has caused recent tension between Argentina and Britain.

Argentina claims the South Atlantic islands, which it calls the Malvinas, but Britain has said it will not transfer sovereignty without the consent of the islands' 2,500 inhabitants.

Local residents denied reports that the vessel's arrival had provoked invasion fears in the islands. The local council announced the vessel's visit and its purpose before its arrival.

Regular flights of Fokker F27 aircraft from Argentina land at a temporary airfield, and this is being extended to provide a greater margin of safety.—Reuter.

Where could you be tomorrow afternoon?

We fly more planes to more places in Spain than anyone else.

That means if you choose today, you can be almost anywhere in Spain by tomorrow evening. With the reliability of a normal scheduled flight from Heathrow by Iberia.

Alternatively, if you prefer the idea of such exotic places as Cuba and a complete package, you'll find our Mumidcolor holidays just the ticket. Ask your travel agent for brochures.

Meanwhile, where will you be tomorrow night?

ALICANTE	Daily
ALMERIA	Daily
BARCELONA	Daily
BILBAO	Tu/Th/Sa/Su
IBIZA	Daily
LAS PALMAS	Daily
MADRID	Daily
MALAGA	Daily
MINORCA	Daily
PALMA	Daily
SANTIAGO	Daily
SEVILLE	Daily
TENERIFE	Daily
VALENCIA	Daily

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صلى الله عليه وسلم

Youthful domination a year away

Cross-country

BULGES: International: none; 50's
males: 1. A. Lunnell, England;
Dennis Jones, E. Van der Meer (NED);
2nd-5th, GB; 6th, USSR (GB).
Other US swimmers: G. J. Labab,
U. M. Tapp.

Swimming

1979-80 Overall Standings: 1. E. Par-
sonage, 71.5; 2. M. Anderson (UG), 50;
3. J. Scherer.

SCHERER: Men's swim slalom: 1.
P.-D. Scherer (UG), 2:04.3; 2. John
Schiller, 2:05.3; 3. L. Arnold (JHU), 2:25.4;
4. J. Schiller, 2:25.4; 5. J. B. Schiller,
Breg (GS), 2:31.89; 6. C. J. Young
(UG), 3:18.7; 7. C. K. Jackson (UG),
3:20.4; 8. J. Schiller, 3:20.4; 9. J. Schiller,
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3:31.29.

Cross-country

BULLGESS: International race, 1979-
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Lord Rothschild reflects on the UK wheat harvest

Bread or brioche in 1976?

Before the French Revolution in 1789, the Queen of France, Marie Antoinette, was told that the people of Paris could not afford to buy bread and she allegedly replied, "Qu'ils mangent de la brioche". Whether she did or not does not matter: the point is that there was not enough bread at the right price at the time in question.

We need quite a lot of wheat in Great Britain—not all of it for bread—and to satisfy this need, we imported 2.8 million tons at a cost of £248m. in 1974. In 1975 we grew 6.03 million tons. In 1976 we have produced only 4.36 million tons, mainly because of the weather. So we imported a further 2.8 million tons costing £277m. In 1976 our wheat import bill is unlikely to be smaller than in 1975 and may be higher. Can we not grow more of what we need ourselves and thus be less at the mercy of the exchange rate and the Russians, who buy so much and force the price up?

The purpose of this article is to provide some of the information necessary to answer this question. I am afraid it involves digesting a few figures.

Our 1975 wheat crop is now harvested and the nation's farmers have been hard at work preparing for 1976, ploughing, rolling, harrowing, cultivating, applying fertiliser and drilling, or some combination of these, depending on the land in question. Because of the good weather, the wheat average planted this autumn may be 15 per cent more than in 1974. So there may be "plenty of wheat in 1976". Many of our farmers, remembering the occasional bumper crops in recent years, may therefore feel confident, or even happy; but before becoming too euphoric, it is as well to get down to some arithmetic. When this is done, a rather less cheerful scenario emerges, and one about which the nation's farmers and even, perhaps, our Government, might do well to ponder, even if wheat is still the farmer's best bet.

I start with the cost per acre of producing an average, repeat average, crop of wheat on a 500-acre wheat farm, or a larger farm 500 acres of which are devoted to growing wheat. (If the area is smaller, the financial results may not be so good.) A statistically inadequate estimate of the cost breakdown is given in Tables 1 and 2.

TABLE 1
Winter wheat (500 acres), 1976
Costs an acre

Costs an acre	
Seed	9.75
Fertiliser	14.00
Spray	6.00
Twine and casual labour	1.00
SUB-TOTAL	30.75

Quantity in dozens per dozen vat included

Claret 1971 has been overshadowed by 1970 for too long. Well-balanced classic clarets were produced in both years.

130 + Château Tessanday, Côtes-de-Fronsac 1971	£12.42
120 + Château Barbey, Bordeaux 1971	15.12
150 + Château Les Rocques, Côtes-de-Bourg 1971	15.12
120 + Château Des Drouillards, Côtes-de-Blaye 1970	17.01
65 + Château La Chapelle-de-la-Trinité, St-Émilion 1971	17.82
75 + Château Potensac, Médoc 1971	18.90
60 + Château Pontoise-Cabarrus, Médoc 1970	19.71
68 + Château L'Abbaye-Skinner, Haut-Médoc 1971	20.79
31 + Château Troplong-Mondor, grand cru classé St-Émilion 1970	23.76
90 + Château Haut-Beycheville-Gloria, St-Julien 1971	26.46
23 + Château Belgrave, cru classé Médoc 1970	27.00
36 + Château Malartic-Lagravière, cru classé Graves 1970	34.29

In each good vintage a few outstanding wines are produced at bourgeois châteaux. These are remarkable values.

90 + Château Semillon, Haut-Médoc 1966	23.76
20 + Château Peymarin, St-Julien 1964	26.46
30 + Château Haut-La-Grâce-Dieu, St-Émilion 1961	35.91

Rhine Wines

Three splendid wines from great estates.

80 + Elviller Sonnenberg Riesling 1972	15.93
13 + Gelsenheimer Fuchsberg Riesling Kabinett 1971	19.71
19 + Ruppertsberger Linsebusch Riesling Spätlese 1971	22.41

Vintage Port

There is a question mark over the future cost of vintage port. This is an opportunity not to be missed to purchase at a reasonable price.

38 + Royal Oporto 1970 vintage	32.40
49 + Fonseca 1970 vintage	35.27

Red Burgundy

Authentic, individual wines. 1972 is a great vintage in Burgundy and will last well.

60 + Chassagne-Montrachet Rouge 1972	19.71
70 + Côte de Nuits Villages 1972	21.67
20 + Fixin 1971	23.76
15 + Auxey-Duresses, Les Duresses 1969	25.92
53 + Auxey-Duresses, Les Duresses 1971	27.00
24 + Echezeaux 1971	28.89
78 + Vosne-Romanée, Les Violettes 1972	29.70
70 + Morey-St-Denis, Clos Sorbès 1972	31.86
80 + Chambolle-Musigny 1972	31.86
38 + Pernand-Vergelesses, Ile de Vergelesses 1972	35.91

Magnificent wines at their peak

29 + Auxey-Duresses, Le Val 1966	24.84
60 + Pommard, Les Argillières 1966	37.80
60 + Larcier-Chambertin 1966	41.85
10 + Morey-St-Denis, Clos de la Roche 1962	43.74

White Burgundy

Hand-picked domaine-bottled wines of superb quality. 1972 is a great vintage of the whites too.

50 + Pernand-Vergelesses Blanc 1972	29.70
9 + Chassagne-Montrachet, Les Caillereux 1972	30.78
12 + Meursault-Genévrières, Comtes Lafon 1964	32.94
9 + Le Montrachet, Comtes Lafon 1972	100.44

FREE DELIVERY

In England, Wales and Scottish Lowlands. Scottish Highlands, Islands and N. Ireland add £2 per case. Collection Allowance (from Paddington Green only) 54p per case.

Offered subject to stocks remaining and by the complete case of 12 bottles only. For advice on the wines, please telephone Mr. Richard Coleman or Mr. David Payne-Cook, or ask for a Director.

* Château or estate bottled
† Bottled in the district of origin

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How 'spook-spotters' are undermining the democracy they pretend to serve

It was during the war that a Foreign Office official, walking along Whitehall, was accused by a stranger who asked him which side the War Office was on: "Ours, I hope," he replied courteously, and passed on. I was reminded, in a somewhat hazy way, of this pleasant inconsequential story by the recent campaign in which the names and addresses of alleged intelligence agents have been published in books and journals of varying distinction. It is, of course, possible that some of the people now being engaged in this fashionable pursuit believe that they are doing so from pure and benevolent motives.

There is, however, evidence of a certain moral or political hypocrisy in their behaviour so far. It seems that they are concerned mainly with the intelligence services of the West. The list of names and addresses appearing in various working lists in Paris, London and in the United States are, so it is claimed, those of members of the American Central Intelligence Agency and the American Journalist Mr. B. Noziter, a man who clearly knows a handbag when he sees one, has saved himself the bother of compiling tedious lists by the simple device of suggesting in the most general and unsubstantiated terms that British foreign correspondents also operate as agents of the Secret Intelligence Service.

These same people, you may notice, have not yet come up with a list of the names and addresses of agents of the Soviet KGB or the Czechoslovak Intelligence Service working in London, Paris or Washington. This is not because this information is not available. I could, if the editor of The Times felt able to devote the spare to such a project, fill a large proportion of this page with a list which would be at least as accurate as those now being published of the CIA.

I could, furthermore, embellish with such fascinating extras as the names of KGB agents who have been expelled from this country and who are now playing their trade in Bangkok and other sensitive

Lord Chalfont

'When names and addresses of agents are made public, they are vulnerable to every psychopath with the price of a gun or a stick of gelignite'

with its paraphernalia of armaments, diplomacy and espionage, is old-fashioned and immoral, and that we should be repudiating a peaceful world community irrespective of race, nationality, colour or creed. As desirable as such a world may be, it is not the one in which we live; and until we achieve it, we had better learn to make the best of what we have.

What we have, among other things, is an international system in which every power of any size or consequence has a secret intelligence service. To the citizens of this country the most significant and important manifestation of this occurs in the persistent confrontation between the communist world represented by the Soviet Union and its allies, and the non-communist world represented by the United States of America and its allies.

In the pursuit of their respective interests these con-

fronting groups employ clandestine means, including espionage and, by extension, counter-espionage, and even to the most neutral and uncommitted observer it must be obvious that however equal and repellent the whole business may be, it is logical to apply double standards to it.

It is outrageous that the CIA should kill, blackmail and, in the pursuit of its unappealing trade, then it is equally outrageous that the KGB should do so; and even on this somewhat artificial basis the interlopers of the underground press ought not to direct their attention exclusively at the intelligence services of the West. It is, however, as I have suggested, an artificial argument, because very few people on either side are neutral. Most people believe in and are, in one degree or another, committed to the survival of their own system.

The political system under which we live in the West is riddled with imperfections. It is, however, a system which embodies a degree of individual liberty and a respect for freedom of choice and human dignity which many of us regard as the basis of a civilised existence.

The communist system, as it has developed in the Soviet Union and in most of the countries of Eastern Europe, is expressive of a different, often shockingly cruel, far more determined determination on the part of the Soviet Union to export that system to as many of the rest of the world as will accept it. There are, according to the precepts and tactics of Marxism-Leninism, a number of possible ways in which this can be done, some of them peaceful, employing the instruments of trade, diplomacy and political persuasion.

The instrument of armed force is not ruled out, however, if other methods should prove ineffective and if war should offer a reasonable possibility of success. Now, this is where we all have to decide which side we are on. If the Soviet Union and its allies in the Warsaw Pact decided to

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Andrew Faulds

The ancient assets that may be our salvation

The presupposition in all the recent analyses of our country's present plight (even one as acute and depressing as Alastair Buchan's in a recent article in The Times) has been that Britain will remain an industrial power.

I would, furthermore, embellish with such fascinating extras as the names of KGB agents who have been expelled from this country and who are now playing their trade in Bangkok and other sensitive markets of the world. Indeed we can even hope to retain an industrially based economy? Our activity will inexorably decline until we produce only the manufactures we need ourselves.

We accept too eagerly the panacea the politicians peddle: that the dark riches of those cold seas will flow us home. But our oil will run out in a generation or so—and what do we do then? With dependence on the exporting of our goods, how could we earn our living? Would it not be wise to contemplate an alternative future for Britain? It may be fanciful to project a political imagination so far forward.

It was not always so. There was a pre-industrial Britain, great in other things. Post-industrial Britain may face an enforced return. There is no need adequately to dwell on the very valuable asset of our island position. The enormous resources for these resources have enormously increased. And the producer countries have woken to the economic and political power that gives them and upped their prices.

Oil is the first of the industrial essentials to call a political tune. As the factories of China and the Middle East, of Africa and South America and Asia begin to produce low cost goods, Britain will be excluded from more of the

thousands of habitable properties every year. Museums and art galleries which reflect the changing life and taste of our people are neglected. The depredations of modern farming methods destroy both plant and animal life.

Yet it is that great heritage which may become our livelihood. If we have to live on in a post-industrial Britain does not make sense—for our own delight as well as the tourist economy—to invest in those assets?

It is economic nonsense to fund industrial reorganisation at enormous cost if the signs of life point the other way. Those many hundreds of millions of pounds would transform and revitalize our country's heritage. Should we not begin to decrease expenditure on a whole range of projects designed to revive the life of Britain, to improve its amenities and preserve its riches?

Antiquities and industrial archaeology and art galleries, churches and museums, historic houses, the theatre and British films require—and deserve—more generous hudgeting if they are to be the things we trade in and pass on to our children. We should be training many more curators and conservationists in wood and metal, paint and textiles. And should we not already be retaining many thousands whose indus-

trial jobs must end in the old traditional crafts of stone-work, carpentry, tiling, hedging, ditching and a variety of other skills?

A restored railway system would be needed to get our visitors around the country. In Britain, will the railways survive. Rivers, foul and sluggish with neglect and industrial disposal, will need cleaning, not only because angling is the most popular active British sport, but also because we want to cast a fly or two. Landscapes riddled with centuries of industrial work and waste and urban deserts need restoring from despoliation. And we must of course conserve our country's patterns of our lovely countryside. More and better hotels will be needed to tempt the tourist and house him hospitably.

We must be far-sighted enough to accept that our future may be some such far-tasy—a sort of Switzerland with mountains in place of mountains. It may be our only alternative—to provide the haven, heavy with history, for those who come to us from all four corners who will come seeking peace in a place away from the pulsating pressures and the grit and grime of their own industrial societies. The author is Labour MP for Warrley, East.

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The Times Diary

Britain beats the Afghans again

Play it again

Up and down

PH



This poignant juxtaposition of signs was photographed in Edgware Road, Paddington, by Jim Gregory of Kibbourn.

When we become a nation of manic depressives, the blame can be put entirely on to the economic commentators, especially those of radio and television. On Friday night they decided it was time to make us all feel good.

The cost of living, we were told, had gone up 1.2 per cent. This was good, because it meant that the rate of increase since the previous December was down to 2.9 per cent—the lowest 12-month rate since April. And for the last six months the annual rate of increase was around 14 per cent, compared with 35 per cent for the first six months of the year.

But these figures are quite arbitrary and mean very little. The reason for the low rate of increase in the last six months was not, precisely, that the high rate for the previous

six months had increased the base figure. And the fact that the January to December percentage increase is lower than the December to November figure tells you only that the increase for December, 1975, was lower than that for December, 1974.

Using different selections of figures, an equally strong case can be made for the proposition that inflation is worsening. The 12-month percentage increase in December was the same as that for November, slightly lower than October, but higher than the monthly percentages for July, August and September. The rate of increase for the last quarter of the year was higher than that of the previous quarter.

In a month or two, no doubt, to keep the story going, the economic words will produce new interpretations of the figures to make us feel bad again. The effect on a battered public is like that of the interrogation technique where questioners are hostile and friendly in turn.

What the cost of living figures show is that prices have gone up, are going up and will probably continue to go so. That is all. The commentators would do us a service if they simply gave us this news, without telling us how we ought to feel about it.

Gobhedygook in the interim report of a Resource Allocation Working Party appointed by the Department of Health. "Operation of the formula constrained as above, should not result for any region in a reversal of the direction indicated by the objective distribution measured by the formula constrained."



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UMMONED TO ATTEND

position which the Prime Minister chose to adopt concerning the appearance of Ministers before select committees of the House of Commons is untenable. It is signs that in the case of Mr. Lever, at least this is now being recognized, and that the committee which is examining the industry will after all be led to question him.

Parliamentary questions have been addressed to the Minister in a departmental responsibility in the matter. It is then for him to decide whether he or his junior ministers will appear in the House and reply to such questions which the Minister has sought to avoid by selecting committees. But the case is quite different. It is committees like those on atomic accounts and on expenditure of public administration, which are granted powers to send persons and papers—that is, to compel witnesses and the production of evidence—and they have powers to question Ministers but civil servants,

officers of public corporations, and others, right outside the public service who have expert knowledge or carry responsibility. They are inquisitorial function. They are entitled to hear from anyone whose testimony they suppose will be relevant.

The expenditure committee is looking at the Government's relations with the motor industry. It has just heard Mr. Varley on the Chrysler deal, and it wants to hear Mr. Lever. Mr. Lever has no departmental responsibility, being Chancellor of the Duchy of Lancaster, but he has direct responsibility of another kind having been the chosen broker for the deal. He is a material witness. He should appear.

The select committee looking at Cyprus and the position of United Kingdom residents there is also up in arms. It was constituted last session, when it heard from Mr. Hattersley, Minister of State at the Foreign Office, and later took evidence in Cyprus. The Government now proposes to reconstitute it but only for the

purpose of drawing up a report. The committee, however, or a majority of members want to put further questions to the Minister in the light of what they learnt in Cyprus before writing their report. Again, the Government should not stand in the way of the committee's discharging its task in the way that seems best to its own membership.

These are committees of the House of Commons: they are not government committees. The House merely has to exert itself to ensure that the Government does not obstruct their workings or dictate their manner of proceeding. It is the likelihood that the House will, if necessary, exert itself which will probably cause the Government to give way before that happens. The usefulness of these committees as an adjunct of parliamentary control over the Executive can be exaggerated. Not so the blow which they would suffer if the Government were to establish rights over their manner of proceeding.

HER PEOPLE'S NUCLEAR WASHING

ag long-term development schemes, the Government is investing £900m for expansion of site at Windscale, Cumbria, the reprocessing of radioactive waste materials from other atomic power stations. The matter has been brought to a head by negotiations with Japan to send a contract for processing nuclear waste to cover an amount of material the next twenty-five years.

Materials of this nature have been brought to Britain before. The first country to establish a nuclear power programme, the United Kingdom—through Atomic Energy Authority—the first to export uranium for atomic power stations. A portion of fuel in a power plant needs replenishing every months, uranium is supplied

on the understanding that the spent fuel will be returned for reprocessing.

Piercingly radioactive by-products of the fission reaction, remaining biologically dangerous for over 25,000 years, are removed for storage in liquid in underground tanks. As a signatory to the Non-Proliferation Treaty, the United Kingdom also has a commitment to ensure that plutonium is not diverted for weapons by any country to whom she supplies fuel. Natural radioactive substances exist in tiny amounts in our surroundings. Provided these levels are not altered in any significant way by man-made agents, the safety of life should not be threatened. Since the most dangerous substances extracted from spent fuel last for tens of thousands of years, there is an absolute need to ensure that they are stored

in a manner from which escape by accident or sabotage is almost impossible. Yet by 1980 some thirty-five countries will be operating nuclear power stations. Each one of them will be generating nuclear waste and creating plutonium that could be used for weapons.

An international meeting is being called in May to consider the establishment of two or three centres for reprocessing which would be subject to international monitoring and controls. The site at Windscale would be the first natural candidate. Indeed, it has a unique service to offer. But for reasons of public safety and to guard against weapon proliferation, the Government should take no decision on the future of Windscale before the May meeting and before the place has won recognition as an international centre for reprocessing.

MORRAH DOWN UNDER

Andra's mistake was in going to the one story. If she prophesied the ruin of Troy of the time, and then varied the forecast with forecasts that rovers would shortly sweep creeks into the sea, or that war would be a damned close thing, she could have kept ridicule as successfully as other political commentators. She would not always have been right, but that is almost the point. It is novelty puts prophecies across.

The idea that God should be Adelaide to make an apple of seems to have been recently moved to make an ass of a city not used to central in the cosmic scheme of the world. The prophecy that it will be swept away by a tidal wave use of its laws and its licence has caused hundreds of people to sell their houses or up to higher ground. At the

moment of writing there is still time for the prediction to be fulfilled, though the reader may have learnt whether the state premier, who promised to parade his disbelief on the beach, ended up with a triumphant smile or a face full of salt water.

All the experts have said that there is no reason to fear a disaster. But they have been saying that for years. In San Francisco they have been saying for years that there is every reason to fear one. There is no novelty in that, either, so nobody takes any notice. When people feel like having an apocalypse, and not until then, they go ahead with the preparations, whatever the experts say. History is full of examples of silly cults whose adherents begin selling their goods, settling old scores and raiding the off-licences, to the dismay of the civil authorities.

It will be another matter if

Adelaide sinks. Our faith in rational foresight, which has suffered many shocks in recent years, would scarcely survive the blow, and the thriving vogue for the occult would thrive the more. But would we be surprised? When the famous earthquake destroyed Lisbon in 1755 it demolished a whole prevailing bent towards deistic optimism. But the tone of Pangloss is not dominant today; rather the reverse. For an age that spends its time fretting that things may fall apart, a comparable shock might be administered by a disaster that did not happen. If Adelaide stands this morning, and its waning towers have not kissed their own feet, then perhaps the centre may hold; perhaps we may face the future with confidence. They faced it in Troy; and much good that did them.

vid Wood

ie English rm turns devolution

no day of the four-day debate to run its course, the Government knows that devolution of Scotland and Wales will prove exactly the kind of rarefied and legislative alternative that it would be better with the gathering strains and lies of the middle sessions of Parliament. Whether the Government tonight in the White Paper with a respectable majority is little or nothing. What is that after last week's Mr. Wilson and his party now must feel in their hearts that any Bill founded on the White Paper would be a mockery, quite apart from the fact that the White Paper would be a mockery and wrecked by the House of Commons. It is felt, with some reason, that Mr. Short has provocatively loaded the game against the legitimate English interest, and variously raised questions whether the Government has not been unduly influenced by Scottish militancy, or else over-occupied with the preservation of a majority for Labour at Westminster.

It is important to be fair to Mr. Wilson and, particularly, Mr. Short. Every party in the House of Commons, in different ways, has a commitment to constitutional change, on the principle of bringing government closer to the people. But it is more easily said than done. The Government has been trying to produce a written constitution out for the whole nation but for those immediately troublesome parts of it where self government is a live political issue, which excludes England in all senses except that a change to the advantage of the three (Scotland, Wales and Ulster) must affect, and possibly damage, the fourth, which on any test hap-

pens to be easily the most dominant.

The interest not simply of England but also of Westminster to maintain the integrity of the United Kingdom, and Mr. Short's proposals are designed to achieve precisely that while giving the Scots and Welsh (though not yet Ulstermen) more say within their own boundaries. That is where the White Paper and Mr. Short's proposals of it have been least convincing alike for devolutionists and anti-devolutionists. He has been agitated again and again about the Westminster and Whitehall Executive's veto over Edinburgh decisions that are ultra vires or intra vires.

Here lies the fundamental weakness of the Government's proposal. The Scottish National Party MPs in the Commons have for immediate tactical purposes drawn a metaphorical distinction between self government and separatism, but the whole spirit of their argument is separatism, as one SNP member revealed when he sought to justify a Customs frontier on the Border. In other words, Mr. Short offers only half a loaf to SNP when only a whole loaf will be accepted as the final answer; and to concede half a loaf is only to open the way to the grant of the whole of Mother's Pride under pressures that will be more intense, in the Edinburgh assembly, than any we have so far known.

In other words, as many English and some Scottish and Welsh MPs see it, as well as all unionist MPs, the battle for the integrity of the United Kingdom has to start now, or at any rate when the draft Bill appears in the spring. It is the slippery slope theory; and Mr. Short will not successfully meet the argument until he can convince a lot of English MPs that in years to come he and any government will stand more sturdily against SNP than they have stood in the past year or so.

For in the end it has to be admitted that 11 Scottish Nationalist MPs, most of them able and more energetic than Scottish MPs we have become accustomed to at Westminster, have achieved more in a year than 100 Irish MPs achieved in many Victorian decades. They have the Government on the run, and the Conservative leadership, too. They still have to intimidate or panic the English MPs in the House of Commons.

Argentinian claim to the Falklands

From Dr. Colin Phillips, Labour MP for Dudley West

Sir, During November last Sir John Glimmer, MP, and I, comprising a Commonwealth Parliamentary Association delegation, visited the Falkland Islands for two weeks. During that time we estimate that we met and spoke with at least 50 per cent of the adult population, as well as large numbers of younger people. As a result of these conversations I believe that we are in an excellent position to judge the current feeling in the Islands with regard to their status as a British colony and their future relationship with Argentina.

The problems resulting from the Argentinian claim and the associated economic realities are considerable and will have to be faced. However, irrespective of the validity or otherwise of the claim, it is a fact that, with one exception, I found everybody that we spoke to opposed to the acceptance of any form of Argentinian sovereignty.

It is difficult to do justice in a short letter to the rights and wrongs of this attitude, nor the very obvious difficulties that it creates both for the British Government and the Falkland Islanders themselves, but I believe it is essential that public opinion in Britain should be fully informed of the views held in the Falklands. We were left in no doubt of the Islanders' desire to remain a British colony, and the opportunity appears available to the British Government within the Commonwealth.

Yours faithfully,
COLIN PHILLIPS,
House of Commons,
January 15.

The Diplomatic Service

From Sir George Labouchere

Sir, As a former Ambassador in Brussels and Madrid, I am disturbed by the lack of understanding by the general public of the work of a diplomat. His (or her) main task is to be a spokesman for the main sources of power in the country to which he or she is accredited, he ministers, Opposition leaders, Civil Servants, leaders of the armed services, trade unionists, the press, judges, prelates, artists, writers, youth, the list is inexhaustible.

It is difficult to comprehend how this can be managed without providing entertainment on a large scale. And this has to be paid for from public funds, unless we are to choose our Heads of Missions from persons lucky enough to possess private funds on a sufficient scale to do this. Is this practicable or desirable in this day and age?

Yours faithfully,
G. P. LABOUCHERE,
Dudmanston,
Bridgworth,
Shropshire,
February 15.

Home improvement grants

From the Chairman of the National Home Improvement Council

Sir, Your leading article, "Guidance for municipal housing" (The Times, January 8), rightly approves the decision by the Secretary of State for the Environment to concentrate substantial resources through local authorities on renovation and improvement of municipally owned dwellings. In current economic conditions, such allocation of available finance will help to maintain the overall housing programme, even when State aid is at a much lower level than hitherto and than housing needs demand.

However, it is equally vital that the private housing stock should be maintained and, where possible, saved from unnecessary demolition. It therefore makes good sense that a proportion of public money should continue to be used as an incentive to private owners to carry out their own renovations.

We understand—and it should be made crystal clear to the public—that grants to private owners under the 1974 Housing Act will not be in any way restricted. Indeed, we would like to see their continued availability more widely publicized.

But private owners must still find the balance of the necessary finance for themselves. In these straitened times, we hope, therefore, that the building societies will take a positive view in the provision of loans for improvement work, and will not regard them as of secondary importance to mortgages for new house purchase.

Yours faithfully,
GEORGE PLUCKNETT, Chairman,
National Home Improvement Council,
26 Store Street, W.C1.

Maker's name on a piano

From Mr. L. C. Squibb

Sir, In Bernard Levin's review on January 9 he complains of the maker's name on the side of the piano in the Queen Elizabeth Hall being a Goldenberg and Radu Lupu played the first of their series of concertos.

We very much regret that Mr. Levin was so overwhelmed by this spectacle that it grew out of all proportion and the 3½ inch letters of the firm's name appeared to him to be "getting on for a foot high". In spite of the agony he suffered we hope that he will not have occasion to encourage children or anyone else to begin the offensive he describes.

It has long been the custom in Britain for makers to have their name on the side of pianos in concert halls. Mr. Levin must surely have noticed the time agreement reached with the Greater London Council that my company would refrain from this practice in the South Bank Concert Halls. Unfortunately, the standing instructions to those concerned were not carried out on this occasion but no blame for this attaches to Mr. John Denison or the promoters of the concert.

With compliments,
Yours faithfully,
L. C. SQUIBB, Manager,
Steinway & Sons, Piano Makers,
Steinway Hall,
1 & 2 St. George Street,
Hanover Square, W.1.

Avoiding petty industrial disputes

From Sir Anthony Bowlby and others

Sir, Events of the past year have made more apparent than ever the extent to which our misfortunes are self-inflicted. Industrial conflict is allowed to spring from petty incidents often, unfortunately, fostered and promoted by the extreme left, and thus the creation of new wealth which might be shared by all is repeatedly frustrated.

Yet one simple resolve could eliminate many of these hurts: a resolve to discuss rights of dispute always go to arbitration if not settled by prior discussion and conciliation. What are disputes of right? They are defined in the Industrial Relations Code of Practice as those which relate to the application or interpretation of existing agreements or contracts of employment.

Or, putting it a little differently, they relate to matters on which the employer and the trade union have already an understanding with management, but subsequent misunderstanding has arisen about application or interpretation. These are surely matters suitable for arbitration by well qualified just persons who have heard both sides support their case with argument and can study the text of the agreement that has to be applied or interpreted. Indeed, arbitration accepted as binding by both parties is strongly recommended in the code. It is, alas, too seldom used.

We therefore urge the TUC and CBI to publish a joint statement

recommending their members to put this part of the code into practice by signing at plant level in every industrial establishment in the country a simple undertaking that disputes of right, if not settled by discussion or conciliation, should be referred to arbitration. The excellent Conciliation and Arbitration Service recently created is there to help.

We should still be left with disputes of interest—those which relate to claims by employees, or proposals by management: but we should have eliminated most, if not all, of the vexatious losses caused by trivial incidents.

We are sending a copy of this letter to the TUC and the CBI: we are also sending copies to the Secretary of State for Employment and the Secretary of State for Industry, for our proposal seems to be one simple step in the direction in which the Prime Minister, pointed at the Chequers conference.

Yours faithfully,
ANTHONY BOWLBY, Chairman,
JOSEPH KAGAN, Deputy Chairman,
NANCY SEAR,
TREVOR LLOYD-HUGHES,
JOHN REISS,
FRANK TAYLOR,
FRANK CHAPPEL,
JIM ILLERSIC,
GEOFFREY TUCKER,
JACK LEE, Secretary,
Working Together Campaign, Ltd.,
128 Masham Court,
Masham Street, SW1,
January 16.

Devolution for Wales

From Mr. David Green

Sir, It is low grade political currency to claim to speak for the majority as Professor Gowan does (letters, January 15)—when the views of the majority are unknown. The end economics are likely to dominate the argument on devolution, though one would still hope that some regard may be had to the exigencies of efficient and effective government.

Professor Gowan regards the three regions of Wales as an economic projection of their adjacent regions in England. From the view of industrial manufacture he is right. The tradition has been that English industry opens additional manufacturing capacity in Wales when the Welsh economy—and closes it down again when England moves into recession.

Manufacturing industry, however, is only part of the story. Wales's main strength is as a producer of commodities—food, water, anthracite, and other minerals. For the first time since the dawn of the industrial revolution, all these are in a state of world shortage that can only sharpen as world population continues to multiply during our lifetime. Offshore oil may have spelled out the message far more clearly in terms of Scottish Nationalism, but an awareness of growing in Wales whose economic position would already look fundamentally different had the English dominated Parliament at Westminster not denied her even EEC prices for the commodities which she produces.

I doubt that anyone in Wales would wish to see an OPEC style exploitation of her resources so that the people of Wales come to enjoy a higher standard of living than that subsisting in the rest of the United Kingdom, but the awareness is growing in Wales whose economic position would already look fundamentally different had the English dominated Parliament at Westminster not denied her even EEC prices for the commodities which she produces.

Of course there are other problems. So long as Government policy is dominated by the philosophies appropriate to the urban communities of England, predominantly

areas such as Wales will continue to have thrust upon them institutions that make no sense. The minimum population requirements for local government reorganization were determined on the convenience of the highly congested English urban communities. They have produced gross and unmanageable counties in Wales and Scotland.

Planning principles—such as the expansion of growth towns and villages to the exclusion of sporadic development—may have some logic in urban England still haunted by the events that produced the 1932 Ribbon Development Act; they result in nightmare when slavishly copied through Welsh Office and applied in a community where distances multiplied by inadequate communications are still vast by English standards. The traditions of isolated development to meet need, that has built the Welsh landscape which planners now say they wish to preserve, are part of a whole alternative fabric of life that is seen in her under attack from heedless Westminster centralism based on urban English criteria.

Finally there is the demonstrable failure of the existing Parliamentary structure to make democratically and effectively the decisions which the whole nation needs; the growing tendency in legislation to leave virtually everything of substance to subsequent ministerial regulation because Parliament cannot find the time to attend to detail. Regarding the national devolutionary pressures, we urgently need to move towards a federal system similar to that in West Germany in which jurisdictions and decision making can be allocated to the lowest democratic level consistent with an effective jurisdiction being exercised.

If Parliament is reduced to legislating in broad generalities, there is no democratic mechanism for dealing with those special and individual problems that diverge from the norm. Yet it is the manner in which the nonconformist is treated that differentiates a free society from a totalitarian bureaucratic dictatorship.

Yours faithfully,
DAVID GREEN,
Rhyd yr Harding,
Castle Morris,
Nr. Haverfordwest,
Pembrokeshire,
January 15.

Railways into busways

From Mr. Nigel Seymour

Sir, It is entertaining to see an aviation knight (Sir Peter Masefield, January 5) rushing to the defence of the bus lane, the newly-created railway knight (Sir Richard Marsh). His arguments sound impressive; but they are not really so.

First, he quotes "practical statistics" for London Transport as showing that the practical hourly capacity of a bus lane is only 120 buses (two per minute) or 8,400 passengers. But this figure is of course only relevant to a bus lane on a normal city street, interrupted by intersections, on which each bus must stop frequently to pick up and set down passengers. A bus lane on a motorway-type facility (which a converted railway would be), with no buses stopping in the lane, has of course a far higher capacity.

Practical statistics for this sort of situation are available from New York, where a single lane in the Lincoln Tunnel carries a peak-hour flow of around 600 buses, plus several hundred cars. On the basis of a bus lane has a capacity at least equal to that of a rail track (which Sir Peter puts as low as 20,000 passengers an hour—many rail tracks carry higher flows).

However, transport capacity unaffected by passenger demand is of no use. New York Port Authority expert "a virtue without a value". The capacity in terms of seat-miles per annum offered by the seven-coach train to Sir Peter's example is valueless if the average

load factor is only 29 per cent (the figure given by Sir Peter himself, in his lecture to the Institution of Mechanical Engineers) for BR Inter-City services—and it sounds about right, although BR's press office, when I asked them, were unable to either confirm or deny it). If the level of passenger demand is only a third of the capacity offered, then the obvious answer in transport undertaking run on business lines (like an air line) is to reduce the capacity offered and thus improve the load factor.

On this basis the transport task performed by the seven-coach train operating at 29 per cent average load factor could be performed by say eight buses operating at 87 per cent load factor—and requiring about the same number of staff, on Sir Peter's figures as the train.

If the rail mode is really so efficient as Sir Peter claims, why is it that inter-city coaches can carry people at less than half the BR fare and still make a profit, while the BR Inter-City passenger, although now paying on average about 2.7p a mile, is subsidised according to my calculations, to the tune of around 3.3p a mile? Has Sir Peter calculated the present cost per passenger-mile of BR's passenger services, by category? If not perhaps I may refer him to the article "Miscellaneous" in the December, 1975, issue of Modern Railways.

Yours faithfully,
NIGEL SEYMOUR,
Seymour and Partners,
15 Lansdowne Road, SW20,
January 6.

Blind visitors to Chelsea Flower Show

From Cecilia Lady Seppill

Sir, I was delighted to see Lord Abernethy's letter in today's Times (January 15) in reply to Lord Snowdon's letter of January 14 concerning blind and disabled visitors to the RHS Chelsea Show.

If Lord Snowdon had done a little more research, he would have discovered that a few years ago there had been a garden exhibit specially designed for the disabled, and which was awarded a bronze medal. It was staged by the Disabled Living Activities Group, which was then under the umbrella of the Central Council for the Disabled.

Intelligence work and journalists

From Mr. Bernard Nossiter

Sir, Mr. Louis Heren (January 14) has poured his acid over the wrong target. The lives of foreign correspondents are endangered by editors who permit or encourage their reporters to serve two masters, a newspaper and an intelligence agency. Mr. Heren has wrenched a few paragraphs out of context from a long (and perhaps insufficiently relevant) article on the British service, fusing them together to make it appear that I was making a sensational charge. Even this technique can't disguise the fact that the reference was to some, certainly not all, British correspondents abroad. It is the practice of existing intelligence agencies that casts suspicion on all, as I know from reporting riot and war in the Middle East, Asia and Ulster. The remedy lies with editors and proprietors, not in hysterical outbursts against the messenger who brings the news.

Yours faithfully,
BERNARD NOSSITER, London Correspondent,
The Washington Post,
New Zealand House,
80 Haymarket, SW1,
January 16.

Hereditary tenant farms

From M. A. Lyndon Skeggs

Sir, If, as the owner/occupier of a Scottish farm, Mr. Beith (The Times, January 14) had wished to negotiate a lease-back arrangement, whereby he could remain in possession as tenant, yet retain the right of the freehold, he would soon realize some of the dire consequences of "succession to agricultural tenancies". The lease-back procedure is a valuable means of introducing capital to agriculture, which is largely missing in Scotland.

Business prudence really decides whether an owner hands over his farm to a competent heir. If the successor is professionally unable or merely inept, it would be unwise for him to take over the farming business. In this situation the farm is sold to a more able person.

It is important that our valuable agricultural assets are managed to maximum advantage and that is what "farming for the future" is about.

Yours faithfully,
M. A. LYNDON SKEGGS,
The Estate House,
Ford,
Berwick-upon-Tweed.

From Mr. Stephen Meyler

Sir, In the matter of the inheritance of farm tenancies we are told by Mr. Alan Beith and others that provisions of this kind do not produce dire consequences in Scotland where they have operated for a number of years.

It is not enough to base an important piece of legislation on assertions of that kind without the most careful investigation. However, if the Scots can be shown to be right in this perhaps they are also right in their refusal to give farm workers permanent security of tenure through abolishing the tied cottage system.

Yours faithfully,
STEPHEN MEYLER,
Huntman's Cottage,
Waldershare Park,
Nr. Dover,
Kent,
January 15.

European union: tax

From Professor D. G. M. Dossier

Sir, The position is even worse than Mr. Raven's letter (January 14) implies: as the aim of tariff-free trade is achieved, the earlier aim of member-states moving to a single uniform Community rate of VAT is in reverse.

There was always a problem with this Commission goal, namely the use made by some member-states, particularly the United Kingdom, of variation of indirect tax rates for national demand management. But with the draining away of confederation in "fine-tuning" by variation of tax rates, the surrender of the VAT as such a device ought now to be achieved, contemplated by the United Kingdom, in the wider interest.

But a second problem remains and here the onus falls on some of the United Kingdom's partners. It is pointless applying a common nominal rate in the Community if this means that the effective rate collected by an efficient (indeed some would now claim over-zealous) United Kingdom Customs and Excise is well above that collected in the less efficient. Only equalization of the effective rate is meaningful to equalize trading conditions—the real aim of tariff-free trading.

Yours faithfully,
DOUGLAS DOSSIER,
Professor of Economic Theory,
Department of Economics,
University of York,
Heslington, York.

Franglans

From Sir Edward Peck

Sir, Deeper undertones of Franglans—or should it be Belgeng?—may be derived from a study of the glorious parodies of the classics produced by the Toone Dynasty of puppet-masters who operate in a tiny theatre just off the Grand Place in Brussels. The most memorable quotation that comes to mind is from Macbeth, when Macbeth, speaking in French with an unmistakable English accent, conveys his fatal invitation to Duncan in the following terms: "Monsieur le Roi d'Ecosse, je vous invite dans mon chateau pour goûter les frites et les plum-puddings de Madame Macbeth".

No Belgian meal is thinkable without its frites, even if the potato, certainly not as chips, will not reach N.E. Scotland for over 500 years after Macbeth. But the delightful word "plum-pudding" must surely be an early festive Franglans attempt to combine plum-pudding and mince-pie.

I am, Sir,
Yours faithfully,
EDWARD PECK,
Torrans,
Tombouh,
Pauilhoul,
January 14.

A conflict of objectives in Government's monetary policy
page 16

THE TIMES BUSINESS NEWS

Menswear firm measures up to High Street competition
page 17

Exceptional fall in money supply follows heavy sales of government bonds

Melvin Westlake, chief economist of the Institute of Economics, has said that the money supply has declined for two consecutive months, when measured by the widest way. Over the past three months money stock has thus contracted at an annual rate of 1.5 per cent. Such a fall has occurred in many years, though this could have a significant effect in bringing down the rate of inflation, it has led some analysts to question the economic recovery. The implications of this fall for the level of employment are not clear. The figures published yesterday in the Bank of England reveal that in the month to December 10, of £170m (to £38,560m, seasonally adjusted) in the M3 definition of money supply, it embraces notes and coin in circulation, sight and time deposits and foreign currency held by the banking system. This represents a fall of 0.5 per cent. The more narrowly defined M1, covering only notes and coins and sight deposits, rose by £70m, or 0.1 per cent, to £15,930m, showing a fall in the past month. Over the October-December period M1 has shown a larger fall than M3—0.5 per cent—over the same period. The fall in M1 is less than the fall in M3, which is still two years since it happened in any three-year period. The principal reason for the fall in the money supply has been the Bank of England's great success in selling government bonds to

MONEY SUPPLY

The following are the figures released for the monthly amount of the money stock, seasonally adjusted, at the month-end make-up date:

	M1 £000m	M2 £000m	M3 £000m	Percentage change over 12 months annual rate
1974				
Dec	13.2	35.6	17.0	10.0
1975				
Jan	13.7	36.0	18.3	8.7
Feb	13.7	36.3	18.4	8.1
March	13.9	36.9	20.5	12.1
April	14.3	36.9	20.5	12.1
May	14.4	37.5	22.0	13.9
June	15.1	37.4	22.8	13.8
July	15.5	37.6	22.8	8.0
Aug	15.7	38.4	23.4	10.0
Sept	16.1	38.6	23.9	14.3
Oct	16.1	39.0	23.8	15.1
Nov	15.9	38.7	23.9	3.6
Dec	15.9	38.6	23.0	-0.8

Finance the huge Budget deficit. Another factor was that the central government borrowing requirement (the excess of public spending over tax revenues) in late November and early December was "again modest compared with that earlier in the year," the Bank of England comments. Bank lending to the private sector has also fallen back, therefore limiting the potential for creating further bank deposits. Official concern that the large sales of government bonds, together with the expected tax payments this month, might cut into the Bank's liquidity and thereby push up interest rates, led the Bank of England to announce last week a temporary repayment of £250m of deposits lodged by the commercial banks.

It has been estimated that the Government has managed to sell £3,000m of government bonds in the last three months. One new bond totalling £500m was virtually exhausted last week on the first day that it became available. Sales to the non-bank public, which the money is siphoned off of the financial system. The Government has been caught in a dilemma between financing the Budget deficit and reducing inflation. On the one hand, and not deterring much-needed industrial investment by high interest rates on the other, being achieved by the first objective is being achieved at the expense of the second, some economists have begun to view the present trend in money supply as likely to delay economic recovery. The view of Mr. Westlake, chief economist of the Institute of Economics, is that there is little demand for credit at the moment. It is not thought within the Bank of England that the government bond sales will have any impact on the real level of economic activity. Since pushing the key minimum lending rate up to 12 per cent in the autumn, the Bank has permitted a "slow decline" in M1 to 18.3 per cent, helped most recently by the knowledge that some special deposits were being repaid to the bank. The view of Mr. Westlake, chief economist of the Institute of Economics, is that money supply should grow more slowly than the inflation level. Over the past year M3 has risen by 8 per cent and M1 by 15 per cent. Both figures, he says, are well below the 25 per cent rise in prices. In his letter to the International Monetary Fund last week, Mr. Westlake appeared to suggest that the money supply would grow at an annual rate of at least 15 per cent between last autumn and spring, 1977.

Bigger profit margins for drug groups advocated

By Peter Hill

Urgent reappraisal and modification of price constraints on the pharmaceutical industry to safeguard its research programme and improve its export performance are called for in a report to be submitted to the Government shortly. This proposal follows nearly 18 months of detailed studies into the capabilities of 10 principal sectors of the chemical industry. The still-confidential report, unlikely to be published before the spring, makes it clear that all-important research and development programmes in the short term must be price-restrained mechanisms. Greater domestic margins, it says, would help the industry to build on its already handsome foreign sales performance. The report—the work of trade unionists, management and government representatives—is expected to be given final consideration at a meeting later this week of the Chemicals Economic Development Committee. Pharmaceuticals, along with organic chemicals and synthetic resins and plastics, are among the 30 sectors of industry chosen by Mr. Healey, Chancellor of the Exchequer, and Mr. Varley, Secretary of State for Industry, last week when they called for detailed reports as part of the Government's strategy. Some recommendations contained in the "chemicals and drugs industry study" may be bitter pills for the Government to swallow. This is particularly so in the case of the arguments for higher prices in the light of the Government's battle with the Swiss drug group Hoffmann-La Roche and the criticism of drug companies' profits, especially from the left wing of the Labour Party. But the committee's report apparently considers that White Paper proposals for a "cost-plus" system as a provider to the National Health Service, and that there is more to be gained in balance of payments terms from allowing British price margins to rise than there is to be lost in increased costs to the taxpayer. Exports last year topped the £500m level for the first time in 15 years, and about £100m. The report is also expected to draw attention to the possibility of serious research and development programme cutbacks by major companies, reflecting pressure on their cash resources. The industry is understood to feel strongly that less stringent application of the voluntary price regulation scheme on drug prices is justified.

Valuation tussle on NEB takeovers

By Maurice Corina
Industrial Editor

Petite but tough negotiations are taking place between the Government and the National Enterprise Board over differences about the valuation of Whitehall shareholdings to be transferred to the new state company. Lord Ryder, the board's chairman, is seeking to avoid an unrealistically excessive capital debt which will prevent him from earning a reasonable return. The Department of Industry and the Treasury have already decided to exclude the state holdings in the Kierney and Trecker Marvin machine tools group, at present managed by Vickers, which has an option to take up a holding and is involved in delicate talks about future capital needs. NEB was originally listed for transfer to the NEB. Lord Ryder's board came into being at the end of November, but there has since been a delay in transfer of the holdings to begin its effective work. Suggestions of a hitch have been denied, with the Department of Industry blaming legal considerations and the need of the NEB to recruit appropriate staff before any assets are transferred. Last week Mr. Kaufman, Minister of State for Industry, said negotiations were taking place with the NEB for what he called "a very early transfer" of various departmental shareholdings. In due course, Mr. Varley will be laying before Parliament statements on the transfer of publicly-held securities and properties which must specify the considerations for the transfer as soon as practicable after the amounts have been determined. The procedure is laid down in Section 5 (4) of the Industry Act 1975, which set up the NEB. The considerations consequently determine the board's opening capital debt, its ability to pay interest, and the overall public dividend capital structure. Hard bargaining over the considerations is taking place because the Department of Industry, with Treasury approval, can depart from the original purchase cost of publicly-held shareholdings, in such a case that there has been such a change in circumstances since the property was first brought into public ownership that its true value would be reflected by reference to the consideration. The department is torn by its wish to be helpful to board in its early, difficult days and the general statutory requirement to reflect the actual costs of the original state investments. At the same time, there are

many who say that the state takeover of the bulk of British Leyland's shares was very generous and any substantial writing down of the car group would be an admission by the Government that it paid far too much. There are also equally insidious questions hovering over a realistic valuation of Rolls-Royce (1971), which is in full state ownership with the cost reflecting a notional estimate of what would have been the price between a willing buyer and a willing seller. The £123m cost of taking over Rolls-Royce would seem an excessive consideration for the NEB to accept into its commencing capital debt, so some appropriate valuation needs to be agreed. The package of state holdings which Mr. Varley wants to transfer includes investments in both public and non-quoted companies (Brown Boveri Kent and Ferranti are examples, respectively) and one, Herbert, the machine tool concern where a major capital reconstruction is under way. At the end of the diplomatic argument over valuations it will be the Government which will finally settle the consideration which Lord Ryder and his advisers must accept.

Each of these poses its own separate problems in setting the considerations for which the NEB has to accept it and assume a debt to the Government. The Department of Industry and the Treasury have already decided to exclude the state holdings in the Kierney and Trecker Marvin machine tools group, at present managed by Vickers, which has an option to take up a holding and is involved in delicate talks about future capital needs. NEB was originally listed for transfer to the NEB. Lord Ryder's board came into being at the end of November, but there has since been a delay in transfer of the holdings to begin its effective work. Suggestions of a hitch have been denied, with the Department of Industry blaming legal considerations and the need of the NEB to recruit appropriate staff before any assets are transferred. Last week Mr. Kaufman, Minister of State for Industry, said negotiations were taking place with the NEB for what he called "a very early transfer" of various departmental shareholdings. In due course, Mr. Varley will be laying before Parliament statements on the transfer of publicly-held securities and properties which must specify the considerations for the transfer as soon as practicable after the amounts have been determined. The procedure is laid down in Section 5 (4) of the Industry Act 1975, which set up the NEB. The considerations consequently determine the board's opening capital debt, its ability to pay interest, and the overall public dividend capital structure. Hard bargaining over the considerations is taking place because the Department of Industry, with Treasury approval, can depart from the original purchase cost of publicly-held shareholdings, in such a case that there has been such a change in circumstances since the property was first brought into public ownership that its true value would be reflected by reference to the consideration. The department is torn by its wish to be helpful to board in its early, difficult days and the general statutory requirement to reflect the actual costs of the original state investments. At the same time, there are

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S quotas reat to reign steel

Edward Townsend, chief economist of the Institute of Economics, has said that the money supply has declined for two consecutive months, when measured by the widest way. Over the past three months money stock has thus contracted at an annual rate of 1.5 per cent. Such a fall has occurred in many years, though this could have a significant effect in bringing down the rate of inflation, it has led some analysts to question the economic recovery. The implications of this fall for the level of employment are not clear. The figures published yesterday in the Bank of England reveal that in the month to December 10, of £170m (to £38,560m, seasonally adjusted) in the M3 definition of money supply, it embraces notes and coin in circulation, sight and time deposits and foreign currency held by the banking system. This represents a fall of 0.5 per cent. The more narrowly defined M1, covering only notes and coins and sight deposits, rose by £70m, or 0.1 per cent, to £15,930m, showing a fall in the past month. Over the October-December period M1 has shown a larger fall than M3—0.5 per cent—over the same period. The fall in M1 is less than the fall in M3, which is still two years since it happened in any three-year period. The principal reason for the fall in the money supply has been the Bank of England's great success in selling government bonds to

Unions see Mr Varley today on steel dispute

By Christopher Thomas
Labour Staff

Union leaders today meet Mr. Varley, Secretary of State for Industry, in an attempt to persuade the Government to intervene in the dispute threatening the state steel industry. So far he has steadfastly refused to become directly involved. The meeting will be held against a background of increasing hostility between the unions and the British Steel Corporation, which proposes to reduce the labour bill by £170m at the expense of 40,000 jobs and reduced wage packets. Renewed efforts to end the strike by 4,500 tin-plate workers at Llanelli and Swansea failed yesterday when union leaders rejected the management proposal. No fresh move was made over the weekend to end the strike by 1,000 craftsmen at Port Talbot steelworks, which has led to 8,000 men being laid off. The biggest union, the Iron and Steel Trades Confederation, will approach the BSC's statement that it "cannot continue to accept present employment practices". The statement adds that significant reductions in manpower have to be made and

big changes in the organization and structure of work are needed. The statement, presented to the unions at an all-night meeting last weekend, has already been rejected by unions representing 30,000 craft workers, and in the present atmosphere of mutual hostility, it is expected to do the same. BSC executives have signed the statement, but the unions have refused to do so. Even so, the corporation plans to go ahead with its plans, which would lead almost inevitably to a major confrontation. On Thursday BSC management will meet the Trades Union Congress steel committee in the hope that union leaders will sign the statement. Workers at Shelton steelworks in Stoke-on-Trent held a day of protest on Friday, and will be recommended tomorrow to accept the corporation's ban on Sunday working. The men, members of the ISTC, will meet union officials to discuss the terms of the BSC's cutbacks. Other unions at the plant have already agreed to work a new Monday to Friday week instead of the traditional Sunday to Thursday, which will mean the loss of Sunday overtime pay of about £7.

Final price curbs list to be ready on Wednesday

By David Young

A final list of articles to be included in Mrs. Shirley Williams' selective price control list will be drawn up on Wednesday after discussions between the Secretary of State for Prices and Consumer Protection, the Royal Commission and the Confederation of British Industry. Later in the week Mrs. Williams is likely to announce formally the scheme which is due to come into effect in February. The retail industry, which will ultimately have to control prices, has complained that the scheme as outlined by Mrs. Williams will be too inflexible. Under the scheme manufacturers will limit price rises to a range of 5 per cent for food and non-food products to within 5 per cent during the six months from February 1. Prices of goods not in the scheme will be allowed to rise higher, allowing manufacturers and retailers to cover the cost of the scheme's operation. Hugh Clayton writes: Food traders will meet other industrialists today to prepare a united front for a meeting tomorrow with Mrs. Williams. The meeting will clarify the details of three main features of the scheme: the number and names of products to be pegged; the way in which prices are to be allowed to rise; and the means by which the scheme is to be publicized.

Recruiting resumed at Leyland

Our Midland Industrial Correspondent

British Leyland is taking on assembly line and body press workers at several of its car plants after a two-year standstill on general recruiting. They are needed to meet higher production targets just announced by management. The news has been greeted with mixed feelings by the unions, because many workers who accepted the company's offer of redundancy in 1973 are now being asked to return to work. But a statement by Leyland Cars last night gave warning that while the resumption of recruiting was good news, there would be no relaxation in the drive for improved productivity. "The large number of new workers—about 200—are being sought for the Rover works at Solihull, where a new executive saloon, code-named SD1, is shortly to be launched in the first completely new car plant to be built in Britain. Leyland was formed in 1966. A further 170 are wanted at the Swindon body plant, 150 at Triumph Coventry and 60 at Longbridge. It was also learnt last night that the Tootam paint plant at Longbridge is being reopened. It was closed last year when falling demand for the Allegro model resulted in considerable unused plant capacity. The past 18 months the total labour force in Leyland Cars has been reduced by 30,000 to around 112,000 without resorting to compulsory measures. A Leyland spokesman said the apparent delay in dealing with applications for voluntary redundancy had been caused by the need to relate individual applications to the manning requirements of different sections. It was quite possible that some outstanding applications would have to be rejected.

Ryton shop stewards opt for redundancy

By Clifford Webb

Twenty-two shop stewards at Chrysler's Ryton plant have volunteered for redundancy. This is more than one in five of all stewards in the Avenger assembly factory which has been allocated a much reduced role in the company's rescue plans. The number of stewards who want to take the minimum legal redundancy payments has been the poor response at Ryton as a whole, where only 770 of the 1,500 shop stewards have volunteered, compared with 1,300 at the Stoke engine plant and 2,200 at Lincoln, Renfrewshire. No details were available of the number of shop stewards who want to leave at Stoke and Lincoln. Mr. John Carey, the Ryton shop stewards' spokesman, said: "There are very few—nothing like the number leaving at Ryton." The most likely explanation for the Ryton stewards' departure is their lack of confidence

in the future of the plant. Its workforce is being slashed by more than 50 per cent—the biggest cutback of all—and Avenger production is being moved to Linwood. Assembly of the French-made Alpico which replaces the Avenger at Ryton this summer is regarded by many employees as a stop-gap project. One of those leaving, Mr. John McAllister, a deputy convenor, said he was fed up with the "From discussions with the management since the rescue operation I can see that I cannot see a beppy future here. I can see trouble ahead. I would rather be on the dole than continue working for Chrysler." There is no doubt that some of the more militant stewards are leaving to seek similar union posts in other Coventry companies because reduced union membership at Ryton will inevitably lead to cuts in the number of shop stewards required.

New oilfield confirmed by Conoco in N Sea

Conoco yesterday confirmed the existence of a new oilfield in the United Kingdom sector of the North Sea in which it has a joint interest with the National Coal Board and Gulf Oil.

A spokesman said confirmation was made by completion of discovery well last September. 125 miles north-east of Shetland and near the Brent and Thistle Fields. Conoco, operator for the group, said engineering studies and a cost analysis will be made to determine the profitability of developing the field, which has been named the Murchison, after Sir Roderick Murchison, the 19th century Scottish scientist. Conoco, operator for the group, said engineering studies and a cost analysis will be made to determine the profitability of developing the field, which has been named the Murchison, after Sir Roderick Murchison, the 19th century Scottish scientist.

Second \$50m Euroloan sought by Midland

Midland Bank has again joined the rush of borrowers raising funds in the Eurobond market. It is seeking \$50m through a seven-year issue, which will carry a 7 per cent margin over inter-bank rates with a minimum rate of 7 per cent. The terms are broadly similar to those of a \$50m floating rate issue by the Midland last autumn. The new issue is being managed by Credit Suisse White Weld, Samuel Montagu, European Banking Co., Amsterdam-Rotterdam Bank, Creditanstalt-Bankverein, Merrill Lynch, Nomura Europe, Societe Generale and Societe Generale de Banque.

Thorn plea to Tokyo

Shop stewards at the Thorn colour television tubes factory in Skelmersdale, Lancashire, told a mass meeting of workers yesterday that they planned to secure a future of the factory by any means possible. A telegram had been sent to the Japanese Ambassador in London asking him if any Japanese manufacturer would be interested in taking over the factory.

Coca-Cola £4m plant

A plant costing £4m and providing jobs for 50 people is to be built at Milton Keynes by the Coca-Cola Export Corporation. The 96,000 sq ft factory will be completed early next year.

EEC-Algeria pact

Algerian and EEC negotiators have reached agreement in Brussels on an economic and financial cooperation pact, under which the community will grant Algeria loans totalling 114m units of account (about £66.8m) at current market rates.

ly cleared for Bonn Bill tight grip on banks

At issue had been Finance Minister proposals to limit risks in credit business. The ministry wanted to restrict the number of "large credits" (a "large credit" being defined as 15 per cent of a bank's share capital and reserves) and put a ceiling on a bank's total large credit business of six times the liable capital. There was strong opposition from private and public sector banking associations which feared that many small banks, with relatively restricted industrial clients, would be forced out of business. The parliamentary committee has agreed on a compromise whereby the ceiling on overall large credit business will be eight times its capital liabilities.

Economist says Keynes theory fuels inflation

By Our Economic Staff

High unemployment benefit, by setting a floor to the downward movement of real wages, can discourage the jobless from seeking new work and therefore cause a continuation of heavy unemployment. This view was put forward by M. Jacques Rueff in a paper on *The End of the Keynesian Era* to the Mont-Pelerin Society in Paris at the weekend. M. Rueff, a leading French economist, advocates the greater use of gold in the international monetary system and has been a critic of Keynesian demand management policies for many years. He argues that unemployment was caused by a lag between the movement of prices and wages during a downturn in demand. Before Keynes, the decrease in the

general price level, characteristic of periods of depression, did not have an immediate effect on the wage level," the paper said. The delay of adjustment caused an increase in the "real wage"—defined as the wage index divided by the general price level index. This lag between the respective movements of the price of labour and the general price level gave rise to unemployment. M. Rueff cited evidence that Britain's system of unemployment insurance, which at that time was unique, was responsible for the high jobless level. The result of the system, he argued, "was that a certain minimum wage level was fixed, below which no one was allowed to go on the dole rather than work for a wage which was only a very little higher

than the unemployment benefit he would receive. When there is a freeze of downward wage movements, the queues at the employment bureau are the exact equivalent of the accumulation of unsalable stocks which could be seen when the price of agricultural products was artificially maintained." One of Keynes's achievements, M. Rueff said, "was to build a theory of unemployment which entirely eliminated a wage decrease as a means of absorbing unemployment due to a fall in prices." Keynes's remedy instead was to increase "the sum of investment expenditure to a level which could absorb the production of the paper asserted. The new approach to unemployment spread quickly and the Keynesian religion" emerged, according to M. Rueff.

where demand is declining to those where it is rising, the paper suggested. "As long as the transfer of labour necessary to adapt the supply of labour to the new demand has not taken place, the increase in demand which results from applying Keynes's remedy will cause the general price level to rise; in other words, inflation will result. "This is how The General Theory (Keynes's main theoretical work) gives governments a sure remedy for absorbing unemployment by inflation and for creating, once there is no more unemployment, a system of economic expansion and continuous over-employment," the paper asserted. The new approach to unemployment spread quickly and the Keynesian religion" emerged, according to M. Rueff.

Dr Burns sees good year ahead for economy

From Our Economics Correspondent
Washington, Jan 18

Dr Arthur Burns, chairman of the Federal Reserve Board, forecast today that 1976 would be "a good year" for the economy. He said recovery was proceeding well and gathering momentum, with employment increasing, exports sales good, industrial production moving ahead at a sound rate and the investor and consumer confidence rising. Government efforts to stimulate the economy were no longer needed and could prove harmful, he said. He criticized the scale of government spending and said he was worried about the size of the budget deficit.

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Lending rate 10 3/4pc

The Bank of England's minimum lending rate will be cut by 3 per centage point this week, to 10 3/4 per cent. The following are the results of Friday's Treasury Bill tender:

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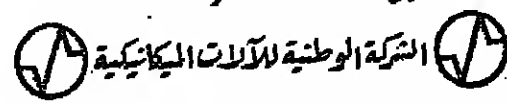
Business to Business

Readers are recommended to take appropriate professional advice before entering obligations.

CONTRACTS AND TENDERS

DEMOCRATIC AND POPULAR REPUBLIC OF ALGERIA

Ministry of Industry and Energy



International Invitation to Tender No. VP/75/001

SOCIÉTÉ NATIONALE DE CONSTRUCTIONS MÉCANIQUES "SONACOME" invites international tenders for the supply of 15,000 (FIFTEEN THOUSAND) automobile vehicles.

Interested firms may obtain tender specifications from SONACOME-DEPARTEMENT IMPORTATIONS-5 Avenue de L.A.L.N. EL HARRACH-ALGERIES-B.P. 79 against payment of the sum of 100 (one hundred) Algerian dinars.

Bids should be sent by registered post and marked "APPEL D'OFFRES No. VP/75/001 - A NE PAS OUVRIR" so as to reach the Import Department of SONACOME before 30th January, 1976, at the latest, the postmark being taken as evidence of date of posting.

Bidders shall be bound by their offers for a period of six (6) months from the final date for receipt of bids.

DEMOCRATIC AND POPULAR REPUBLIC OF ALGERIA

MINISTRY FOR INDUSTRY AND ENERGY
S.O.N.A.R.E.M.—RESEARCH DIVISION
8, RUE DES AURES-EL HARRACH

INTERNATIONAL INVITATION TO TENDER

International tenders are invited for the supply of DRILLS AND DRILLING EQUIPMENT

Conditions of tender and technical specifications may be obtained from the Equipment Service of the Research Division at EL HARRACH.

Tenders accompanied by the security documentation should be placed in two sealed envelopes clearly marked:

"SOUMISSION APPEL D'OFFRES—DIVISION RECHERCHES"

"Concernant Sondages et Equipement de Sondage"

While the inner envelope should be similarly marked and bear the name of the bidder, all bids should be addressed to Monsieur le Directeur Générale de la SONAREM-17, Boulevard Salah BOUAKOUR, Algiers and posted to reach this address by no later than 31 MARCH 1976, which is the final date for receipt of tenders by SONAREM and not the final date of posting.

EGYPTIAN RAILWAYS

FLAT BOTTOM RAILS

Reference Number E.R. 302 G/3/90

Tenders will be received at the Purchases and Stores Department, Railway Headquarters, 1700, El Mansouria, Cairo, up to 12.00 on 19th February 1976, for the supply of the above mentioned materials.

Conditions will be issued to commercial local agents who are directly or indirectly connected with the Ministry of Supply provided these agents submit to the Ministry of Supply a copy of the tender and a copy of the conditions must be obtained from the said Department, Cairo.

Conditions are to be issued to persons resident in the A.R.E. to be sent to foreign firms provided they certify in their applications that they do not act as agents or sub-agents of the Egyptian Railways and the Ministry of Supply.

They should also submit the documents stating that the foreign firm requested them to obtain the conditions. Price of conditions 1,000 M.L.S. plus postage to be paid in advance.

Applications should be submitted on stamped paper on 125 in size.

DEMOCRATIC AND POPULAR REPUBLIC OF ALGERIA

MINISTRY OF INDUSTRY AND ENERGY
THE NATIONAL SOCIETY OF CHEMICAL INDUSTRIES

ADVICE OF EXTENSION OF DEADLINE

La Société Nationale des Industries Chimiques advises all companies interested by its international invitation to tender no. 1775, concerning the survey and the execution of the "Produits en Main" project for a cosmetic products plant, that the final date for bids has been delayed until 31st January 1976.

LANCASHIRE CONSTABULARY

Tenders are invited for the supply of the following equipment: 1. 1000 pairs of trousers, 2. 1000 pairs of shirts, 3. 1000 pairs of socks, 4. 1000 pairs of undershorts, 5. 1000 pairs of handkerchiefs, 6. 1000 pairs of ties, 7. 1000 pairs of gloves, 8. 1000 pairs of shoes, 9. 1000 pairs of boots, 10. 1000 pairs of hats, 11. 1000 pairs of coats, 12. 1000 pairs of jackets, 13. 1000 pairs of trousers, 14. 1000 pairs of shirts, 15. 1000 pairs of socks, 16. 1000 pairs of undershorts, 17. 1000 pairs of handkerchiefs, 18. 1000 pairs of ties, 19. 1000 pairs of gloves, 20. 1000 pairs of shoes, 21. 1000 pairs of boots, 22. 1000 pairs of hats, 23. 1000 pairs of coats, 24. 1000 pairs of jackets, 25. 1000 pairs of trousers, 26. 1000 pairs of shirts, 27. 1000 pairs of socks, 28. 1000 pairs of undershorts, 29. 1000 pairs of handkerchiefs, 30. 1000 pairs of ties, 31. 1000 pairs of gloves, 32. 1000 pairs of shoes, 33. 1000 pairs of boots, 34. 1000 pairs of hats, 35. 1000 pairs of coats, 36. 1000 pairs 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Corbiel	24 Jan-21	2m
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Chorvaker		3m
Corbiel		2m
Corbiel	24 Jan-7 Feb	3m
Bus Fee		3m
Corbiel		1m
Corbiel		1m
Corbiel	25 Jan-8 Feb	1m
Corbiel		1m

31 Jan.-7 Feb.
2 girls, 2 men

Concubine	7 p.m.
as Fee	2 p.m.
31 Jan.-14 Feb.	
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Concubine	2 p.m.
Concubine	1 cc
are Chevalier	2 m
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